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Initial Public Offer of equity shares on the main board of the Stock Exchanges in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



## SAI SILKS (KALAMANDIR) LIMITED

Our business was started as a partnership firm under the name and style of 'Sai Silks' on August 10, 2005 with Nagakanaka Durga Prasad Chalavadi and Jhansi Rani Chalavadi as its partners. Subsequently, Kalyan Srinivas Annam and Subash Chandra Mohan Annam joined the partnership firm on April 1, 2006 and Suchitra Annam, Sowjanya Annam and Venkata Rajesh Annam joined on March 4, 2008. Further, the name of the partnership firm was also changed to 'Sai Silks (Kalamandir)' on March 4, 2008 to incorporate the brand in its name. The partnership firm was subsequently converted into a private limited company and a certificate of incorporation was obtained dated July 3, 2008 under the name and style of 'Sai Silks (Kalamandir) Private Limited' from the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company was further converted into a public limited company pursuant to a special resolution passed by our Shareholders on May 14, 2009 and a fresh certificate of incorporation consequent upon conversion to public limited company was obtained on May 21, 2009 from the Registrar of Companies, Andhra Pradesh. The name of our Company was changed to its present name, 'Sai Silks (Kalamandir) Limited'. For details of changes in the name and the registered office address of our Company, see 'History and Certain Corporate Matters' on page 205 of the Red Herring Prospectus dated September 13, 2023 ("RHP").  
Registered and Corporate Office: 6-3-790/8, Flat No. 1, Bathina Apartments, Ameerpet, Hyderabad 500 016, Telangana, India; Contact Person: Matte Koti Bhaskara Teja, Company Secretary and Compliance Officer; Website: www.sskl.co.in; E-mail: secretarial@sskl.co.in; Telephone: +91 40 6656 6555; Corporate Identity Number: U52190TG2008PLC059968



(Please scan this QR code to view the Red Herring Prospectus)

### PROMOTERS OF OUR COMPANY: NAGAKANAKA DURGA PRASAD CHALAVADI AND JHANSI RANI CHALAVADI

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARE") OF SAI SILKS (KALAMANDIR) LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 6,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 27,072,000 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"), COMPRISING OFFER FOR SALE OF (A) UP TO 6,409,345 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY NAGAKANAKA DURGA PRASAD CHALAVADI, UP TO 7,949,520 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY JHANSI RANI CHALAVADI (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS"), AND (B) UP TO 3,083,865 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DHANALAKSHMI PERUMALLA, UP TO 656,295 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY DOODESWARA KANAKA DURGARAO CHALAVADI, UP TO 6,346,975 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KALYAN SRINIVAS ANNAM, UP TO 2,120,500 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SUBASH CHANDRA MOHAN ANNAM AND UP TO 505,500 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VENKATA RAJESH ANNAM (COLLECTIVELY THE "PROMOTER GROUP SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE, AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

#### DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) *
Nagakanaka Durga Prasad Chalavadi	Promoter	Up to 6,409,345 Equity Shares aggregating up to ₹ [●] million	5.48
Jhansi Rani Chalavadi	Promoter	Up to 7,949,520 Equity Shares aggregating up to ₹ [●] million	19.81
Dhanalakshmi Perumalla	Promoter Group	Up to 3,083,865 Equity Shares aggregating up to ₹ [●] million	N.A. <sup>†</sup>
Doodeswara Kanaka Durgarao Chalavadi	Promoter Group	Up to 656,295 Equity Shares aggregating up to ₹ [●] million	1.17
Kalyan Srinivas Annam	Promoter Group	Up to 6,346,975 Equity Shares aggregating up to ₹ [●] million	1.50
Subash Chandra Mohan Annam	Promoter Group	Up to 2,120,500 Equity Shares aggregating up to ₹ [●] million	5.64
Venkata Rajesh Annam	Promoter Group	Up to 505,500 Equity Shares aggregating up to ₹ [●] million	2.14

\*As certified by our Statutory Auditors, by way of their certificate dated September 13, 2023.

<sup>†</sup> These shares were acquired by way of gift therefore, no cost of acquisition is attributable to these shares. For further details, please refer to Capital Structure on page 82 of RHP

**We 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. (Source: Technopak Report). We offer a diverse range of products which includes various types of ultra-premium and premium sarees suitable for weddings, party wear, as well as occasional and daily wear; lehengas, men's ethnic wear, children's ethnic wear and value fashion products comprising fusion wear and western wear for women, men and children.**

**The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations  
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer  
Retail Portion: Not less than 35% of the Offer**

**PRICE BAND: ₹ 210 TO ₹ 222 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH.**

**THE FLOOR PRICE IS 105 TIMES AND THE CAP PRICE IS 111 TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 27.37 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 25.89 TIMES. THE PRICE/SALES RATIO BASED ON THE REVENUE FROM OPERATIONS FOR THE FINANCIAL YEAR 2023 AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 2.52 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 2.41 TIMES. BIDS CAN BE MADE FOR A MINIMUM OF 67 EQUITY SHARES AND IN MULTIPLES OF 67 EQUITY SHARES THEREAFTER.**

In accordance with the recommendation of the Committee of Independent Directors of our Company, pursuant to their resolution dated September 13, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), disclosed in 'Basis for the Offer Price' section on pages 113 to 122 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus dated September 13, 2023 ("RHP") and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

### RISKS TO INVESTORS

#### I. Risk Factors Associated with our Company

- 1. Valuation Risk:** The market capitalization to total revenue from operations, which is 2.52 times the cap price and the price to earnings ratio, which is 27.37 times the cap price may not be indicative of the market price of the Equity Shares on listing and may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, etc.
- 2. Business Concentration Risk:** Our business is highly concentrated on the sale of women's sarees and contributed to 68.38%, 67.36% and 65.70% of our revenue from operations for Fiscals 2023, 2022 and 2021 respectively. The business is vulnerable to variations in demand and changes in consumer preference, could have an adverse effect on our business, results of operations and

financial condition.

- 3. Geographic Concentration Risk:** We generated substantially all of our sales from stores located in Southern India and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations. For instance, our revenue from state of Telangana, Andhra Pradesh, Tamil Nadu and Karnataka in Fiscal 2023 was ₹ 6,064.35 million, ₹ 4,429.38 million, ₹ 1,218.70 million and ₹ 1,802.26 million respectively.
- 4. Share Pledge Risk:** As on the date of the Red Herring Prospectus, 21,437,500 Equity Shares held by our Promoter, Nagakanaka Durga Prasad Chalavadi, constituting 31.33% of the fully diluted equity share capital collectively held by the Promoters of our Company, were pledged in favor of State Bank of India, pursuant to sanction

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letters dated December 5, 2017, March 8, 2019, March 10, 2020, March 20, 2021, March 5, 2022 and March 20, 2023, to secure the borrowing obligations of our Company with the lender. However, pursuant to the letter dated October 20, 2022 from State Bank of India, such Equity Shares have been temporarily released from pledge for completion of the lock-in requirements as prescribed under the SEBI ICDR Regulations and will be subsequently re-pledged, subject to the provisions of the applicable law, with the Depositories post listing of the Equity Shares on the Stock Exchanges. Any default under the loan agreements following the creation of a pledge on the Equity Shares of our Company may result in, inter alia, reduction on the aggregate shareholding of our Promoter, the lender taking ownership of the pledged shares.

**5. Litigation Risk:** The Income Tax Department has conducted a "search, survey and seizure operation" at our Registered and Corporate Office, certain of our stores and warehouses and on the residence of our Promoters, Whole-time Directors and Key Managerial Personnel. Any adverse outcome of such proceedings may have an adverse effect on our business, financial condition and result of operations. Further, our Company, Directors, Promoters and Group Companies are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.

**II. Weighted average cost of acquisition of all Equity Shares transacted in past one year, eighteen months and three years preceding the date of the RHP.**

Period	Weighted average cost of acquisition (in ₹)	Cap Price (₹ 222) is 'X' times the weighted average cost of acquisition	Range of acquisition price: lowest price - highest price (in ₹)
Last one year	-	-	₹ 0 – ₹ 0
Last 18 months	22.00	10.00	₹ 22 – ₹ 22
Last three years	21.33	10.41	₹ 20 - ₹ 22

As certified by our Statutory Auditors, by way of their certificate dated September 13, 2023

**III. Weighted Average Return on Net Worth attributable to the owners of the company (RoNW), as derived from Restated Financial Information for the fiscals 2021, 2022 and 2023 is 19.03%.**

**Notes:**

(1) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at March 31, 2023, March 31, 2022

and March 31, 2021.

- (2) Return on Net worth (%) = Restated Profit for the year divided by Net worth as at the end of the year.
- (3) Weighted average = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights

**IV. Weighted average cost of acquisition ("WACA"), floor price and cap price:**

Type of Transaction	Weighted average cost of acquisition per Equity Share (in ₹)	Floor Price of ₹ 210	Cap Price of ₹ 222
Weighted average cost of acquisition of primary issuances during 3 years prior to RHP.*	20.00	10.50	11.10
Weighted average cost of acquisition of secondary transactions during 3 years prior to RHP**	NIL	NIL	NIL

As certified by our Statutory Auditors, by way of their certificate dated September 13, 2023

\* The Company has issued 60,16,145 shares of face value of ₹ 2 each at ₹ 22 per share to SSKL Employees Trust on June 09, 2022. The same was not taken into consideration as primary allotment for determination of Weighted Average cost of acquisition (WACA). Further, there have been no primary/new issue of shares (Equity Shares/convertible securities), excluding grants of any options and issuance of bonus shares, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of the RHP.

\*\*The secondary transactions which took place among the Promoters, Promoter Group and Selling Shareholders during the last three years were done by way of gifting of shares among themselves and therefore no consideration was taken into consideration for determination of weighted average cost of acquisition.

**V. The Three BRLMs associated with the Offer have handled 33 public Issues in the past three years, out of which 12 Issues closed below the offer price on listing date.**

Name of BRLMs	Total Issues	Issues closed below IPO Price on listing date
Motilal Oswal Investment*	6	2
HDFC Bank Limited*	6	3
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)*	18	6
Common issues of above BRLMs	3	1
<b>Total</b>	<b>33</b>	<b>12</b>

\*Issues handled where there were no common BRLMs

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## BID/OFFER PROGRAMME

### ANCHOR INVESTOR BIDDING DATE : MONDAY, SEPTEMBER 18, 2023\*

### BID/OFFER OPENS ON : WEDNESDAY, SEPTEMBER 20, 2023

### BID/OFFER CLOSES ON : FRIDAY, SEPTEMBER 22, 2023<sup>#</sup>

\* Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.  
<sup>#</sup> Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations. UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

#### BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is 105 times the face value at the lower end of the Price Band and 111 times the face value at the higher end of the Price Band. Investors should also refer to the sections "Our Business", "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 178, 28, 237 and 329 of the RHP, respectively, to have an informed view before making an investment decision.

**Qualitative Factors:** We believe that some of the qualitative factors and our strengths which form the basis for computing the Offer Price are: • 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 apparel retail brand in India with a scalable model, which is 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. For further details, see "Our Business – Our Competitive Strengths" on page 182 of the RHP.

**Quantitative factors:** Some of the information presented below relating to our Company is derived from the Restated Financial Statements. Pursuant to a resolution of our Board dated May 3, 2022 and pursuant to the special resolution passed by our shareholders dated May 18, 2022, each Equity Share of face value of ₹10 each was sub-divided into 5 equity shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 24,064,588 equity shares of face value of ₹10 each into 120,322,940 equity shares of face value of ₹2 each. Sub-division of shares, as adjusted proportionately for the equity shares then outstanding, are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented. For details, see "Restated Financial Statements" beginning on page 237 of the RHP. Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

#### 1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital, as per the Restated Financial Statements:

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2023	8.11	8.11	3
Financial Year ended March 31, 2022	4.79	4.79	2
Financial Year ended March 31, 2021	0.43	0.43	1
<b>Weighted Average</b>	<b>5.72</b>	<b>5.72</b>	

Notes:

<sup>(1)</sup> Basic EPS (₹) = Basic earnings per share are calculated by dividing the Restated Profit for the year divided by the weighted average number of Equity Shares outstanding during the year, as adjusted for sub-division.

<sup>(2)</sup> Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the Restated Profit for the year divided by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and for sub-division.

<sup>(3)</sup> Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 Earnings per Share.

<sup>(4)</sup> Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

<sup>(5)</sup> The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Restated Financial Statements.

<sup>(6)</sup> Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.

#### 2. Price Earning ("P/E") Ratio in relation to the Price Band of ₹210 to ₹222 per Equity Share:

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)
Based on Basic EPS for the financial year ended March 31, 2023	25.89	27.37
Based on Diluted EPS for the financial year ended March 31, 2023	25.89	27.37

#### 3. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section:

Particulars	P/E ratio
Highest (Trent Limited)	163.76
Lowest (Shoppers Stop Limited)	69.34
Average	98.03

Note: The industry high and low has been considered from the industry peer set derived by the Company. The industry composite has been calculated as the arithmetic average P/E of the industry peer set derived by the Company. The P/E Ratio has been computed based on the closing market price of the equity shares (Source: NSE) on August 31, 2023 and the EPS has been considered for the financial year ended March 31, 2023. For further details, see "Basis for Offer Price – Comparison of Accounting Ratios with Listed Industry Peers" on page 118 of the RHP.

#### 4. Return on Net Worth (RoNW), as derived from Restated Financial Statements:

Financial Year	RoNW (%)	Weight
Financial Year ended March 31, 2023	24.56	3
Financial Year ended March 31, 2022	19.19	2
Financial Year ended March 31, 2021	2.11	1
<b>Weighted Average</b>	<b>19.03</b>	

Notes:

<sup>(1)</sup> "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at March 31, 2023, March 31, 2022 and March 31, 2021.

<sup>(2)</sup> Return on Net Worth (%) = Restated Profit for the year divided by Net worth as at the end of the year.

<sup>(3)</sup> Weighted average = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights

#### 5. Net Asset Value per Equity Share of face value of ₹ 2 each, as adjusted for changes in capital.

Year Ended	NAV derived from the Restated Financial Statements (₹)
As on March 31, 2023	33.02
After the completion of the Offer	At the Floor Price: 66.98
	At the Cap Price: 67.68
	At the Offer Price: [•]

Notes:

<sup>(1)</sup> At the Offer Price per Equity Share shall be provided once the same is determined on conclusion of the Book Building Process.

<sup>(2)</sup> "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations as at March 31, 2023, March 31, 2022 and March 31, 2021.

<sup>(3)</sup> Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year, excluding treasury stock as adjusted for sub-division. For further details, please refer Note 2(w) of the section titled Restated Financial Statements on page 237 of the RHP.

#### 6. Comparative Ratios

(All ₹ in Million except ratios and percentages)

Name of Company	Gross Margin	Current Ratio	Quick Ratio	Inventory Turnover Ratio	Same Store Sales Growth	Cost to Retail Ratio	Inventory to total Assets	Net Sales to Inventory
Sai Silks (Kalamandir) Limited	39.13%	1.41	0.20	2.32	24.55%	60.87%	0.57	1.96
Peer Group <sup>#</sup>								
Vedant Fashions Limited <sup>(1)</sup>	74.03%	3.37	2.93	8.56	18.10%	25.97%	0.08	7.80
TCNS Clothing Co. Limited <sup>(2)</sup>	66.68%	1.96	0.80	2.81	NA	33.32%	0.33	2.43
Go Fashion (India) Limited <sup>(3)</sup>	66.70%	3.57	1.75	3.36	36.00%	33.30%	0.25	2.89
Aditya Birla Fashion and Retail Limited <sup>(4)</sup>	55.29%	1.01	0.42	3.48	NA	44.71%	0.25	2.95
Shoppers Stop Limited <sup>(5)</sup>	42.11%	0.80	0.18	3.21	NA	57.89%	0.33	2.68
Trent Limited <sup>(6)</sup>	42.74%	2.17	0.93	7.40	NA	57.26%	0.17	6.06

(1) Source: Annual Report for Fiscal 2023

# The Business model of above peers are different in nature and stated parameters may not exactly be comparable

#### 7. Key financial and operational metrics ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, helps us in analyzing the growth of various verticals in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The KPIs included herein below have been approved by the Audit Committee pursuant to its resolution dated September 13, 2023 and the members of the Audit Committee have confirmed that the verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of the Red Herring Prospectus have been disclosed in herein. Additionally, the KPIs have been certified by the Statutory Auditors of the Company, Sagor & Associates, Chartered Accountants, vide their certificate dated September 13, 2023.

The KPIs of our Company have been disclosed in, "Risk Factors – The nature of our business requires us to maintain sufficient inventories resulting into high inventory costs. If we are unable to maintain an optimal level of inventory, our business, results of operations and financial condition may be adversely affected" and "Risk Factors – The objects of the Offer include funding working capital requirements of our Company, which are based on certain assumptions and estimates and such working capital requirements may not be indicative of the actual requirements of our Company", "Our Business – Overview", "Our Business – Our Competitive Strengths", "Our Business – Our Strategies", "Our Business – Our Store Formats and Products", and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview", beginning on pages 178, 182, 186, 189 and 329 of the RHP, respectively. We have described and defined them, where applicable, in "Definitions and Abbreviations" section on pages 1 to 14 of the RHP, respectively.

Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company. The ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

#### Financial Performance Indicators

(₹ million, except percentages)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Revenue from Operations <sup>(1)</sup>	6,772.48	11,293.23	13,514.69
EBITDA <sup>(2)</sup>	623.61	1,330.48	2,125.31
EBITDA Margin <sup>(3)</sup>	9.21%	11.78%	15.73%
Gross Margin <sup>(4)</sup>	2,304.04	3,914.53	5,288.47
Profit for the year <sup>(5)</sup>	51.31	576.87	975.88
RoE <sup>(6)</sup>	2.16%	21.22%	27.96%
RoCE <sup>(7)</sup>	8.51%	21.71%	23.55%
Debt to Equity Ratio <sup>(8)</sup>	0.89	0.87	0.87
Net Debt/EBITDA <sup>(9)</sup>	1.25	0.52	0.44

<sup>(1)</sup> Revenue from operations is the total revenue generated by the Company from its operations.

<sup>(2)</sup> EBITDA is calculated as the sum of Profit Before Tax, Depreciation and Finance Costs less other income.

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

<sup>(4)</sup> Gross Margin is calculated as sales less the sum of Purchases of Stock in Trade and Change in Inventories.

<sup>(5)</sup> Profit for the year is profit for the year as appearing in the Restated Financial Statements.

<sup>(6)</sup> Return on Equity is calculated as Restated Profit for the Year/Period divided by Average Net Worth, where "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations.

<sup>(7)</sup> Return on Capital Employed is calculated as Earnings Before Interest and Tax divided by Capital Employed where Capital Employed is sum of Tangible Net Worth, Total Debt and Deferred Tax Liability.

<sup>(8)</sup> Debt to Equity Ratio is calculated as Total Term Liabilities divided by the sum of Equity Share Capital and Other Equity.

<sup>(9)</sup> Net Debt/EBITDA is calculated as Total Term Liabilities divided by EBITDA.

#### Operational Performance Indicators

Following are the operational performance indicators of our for the last three financial years.

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Stores <sup>(1)</sup>	42	46	54
Cities <sup>(2)</sup>	11	12	12
Average Store Area (square feet) <sup>(3)</sup>	12,171	11,974	11,174
<b>Metrics per Square Feet (₹)</b>			
- Average revenue from operations per square feet (for all stores) <sup>(4)</sup>	13,247	20,502	22,397
- Average revenue from operations per square feet (for Mature Stores <sup>(5)</sup> ) <sup>(6)</sup>	13,058	20,210	22,850
<b>Revenue Metrics per Store (₹ million)</b>			
- Average revenue from operations (for all stores) <sup>(7)</sup>	161.23	245.50	250.27
- Average revenue from operations (for Mature Stores <sup>(8)</sup> ) <sup>(9)</sup>	161.85	252.64	273.61
Average Capital Expenditure per Store (₹ million) <sup>(10)</sup>	50.43	51.43	51.72

(1) Stores refer to the number of stores at the end of the relevant fiscal.

(2) Cities refer to the number of cities in which the stores were operating as at the end of the relevant fiscal.

(3) Average Store area is the total square foot of all the stores divided by the number of stores as at the end of the relevant fiscal.

(4) Average Revenue from operations per square foot is the total revenue from operations divided by the square foot for all stores as at the end of the relevant fiscal.

(5) Mature Stores refer to Stores that have been operating for a period of more than 12 months. In Fiscal 2021, 2022 and 2023, the company had 41, 40, and 46 Mature Stores, respectively.

(6) Average Revenue from operations per square foot for mature stores is the total revenue from operations for the mature stores divided by the square foot of mature stores as at the end of the relevant fiscal.

(7) Average Revenue from operations for all stores is the total revenue from operations divided by number of stores at the end of the relevant fiscal.

(8) Average Revenue from operations for mature stores is the total revenue from operations for the mature stores divided by number of mature stores as at the end of the relevant fiscal.

(9) Average Capital Expenditure per Store refers to the cost of interiors, furniture and equipment, plant and machinery divided by number of stores at the end of the relevant fiscal.

#### Explanation for the Key Performance Indicators

Explanation for KPI metrics	Explanations
Revenue from Operations (₹ million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Gross Margin	Gross Margin is an indicator of the profitability on sale of products dealt in by the Company before accounting for selling, general, and administrative expenses.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
Profit for the year	Profit for the year provides information regarding the overall profitability of the business
RoE	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE	RoCE provides how efficiently our Company generates earnings from the capital employed in the business
Debt to Equity Ratio	This metric is a measurement of our Company's financial leverage.
Net Debt/EBITDA	This metric is a measurement of the amount of operating income generated and available to pay down term liabilities
Stores	This metric is a measurement of the number of outlets from which we sell our products
Cities	This metric is a measurement of our geographical reach and includes the cities where we are present, and should be read with our stores since we may have more than one store in the same city
Average Store Area (square feet)	This metric denotes the total area of the stores operated by us divided by the number of stores we have and is used by the management to track several other metrics as well as plan for capex, inventory etc.
<b>Metrics per Square Feet (sq.ft.)</b>	
- Average revenue from operations per square feet (for all stores)	This metric is an important determinant of the operating efficiency of our stores and is used by the management to take several key decisions, including, inter alia, inventory management, staffing, relocation of inventory between stores etc.
- Average revenue from operations per square feet (for Mature Stores)	This metric tracks the average revenue from operations for mature stores, which helps the management track the growth of older stores and take action, if required.
<b>Revenue Metrics per Store (₹ million)</b>	
- Average revenue from operations (for all stores)	This metric is an important determinant of the operating efficiency of our stores and is used by the management to take several key decisions, including, inter alia, inventory management, staffing, relocation of inventory between stores etc.
- Average revenue from operations (for Mature Stores)	This metric tracks the average revenue from operations for mature stores, which helps the management track the growth of older stores and take action, if required.
Average Capital Expenditure per Store (₹ million)	This metric indicates how much our Company invests in fixed assets for stores to maintain or grow its retail operations

#### 8. Comparison with Listed Industry Peers

Women Indian wear is the largest segment within the women apparel market in India and contributes around 67% of the market in FY 2022. Despite having a high current share, the share of Indian wear in the overall Women apparel segment will continue to be resilient in future. In any other major apparel markets (China, Japan, Southeast Asia etc.) nearly the entire apparel category is made up of western wear. Indian fashion is influenced by Indian ethos and values with impact the apparel's cut, shape, silhouette and nature of raw material used (not restricted to power loom but also extends to handlooms fabrics). In this context, the Indian women apparel industry's categorization into Indian wear and western wear is significant given the Indian wear's size and its unique existence compared to other major markets. (Source: Technopak Report)

Women Indian wear market is further segmented into key categories- Saree & Others (Others including Lehenga, Indian dresses/gowns etc) and SKD (Sets, Mix & Match & Others (Dupattas/Stoles etc). Saree & Others category is expected to grow at a CAGR of 19% from FY 2022 to FY 2027, reaching INR 1,24,837 Cr in FY 2027. Within this, the Saree market was valued at INR 52,393 Cr in FY 2022 and is expected to reach INR 67,863 Cr by FY 2023 growing at a CAGR of ~30%. This category, though the earliest form of apparel for women in India, with a strong and large base, continues to grow despite the advent of different apparel for women in form of SKD, Lehenga, Dresses etc., showing that Saree continues to be the choice of apparel for majority women in India. (Source: Technopak Report)

We operate in a competitive market and face competition from both the organised and unorganised elements of our industry. We consider our main competitors to be Nalli, Pothys, The Chennai Silk, Kankatla, Rangoli, Neerus and VRK Retail (Source: Technopak Report).

There is currently no listed Indian Company that has a high proportion of its Revenue from Operations derived from the sale of Sarees. Accordingly, the peer group selected below is the on the basis of relevant players that operate in the Women's Apparel Market.

#### (a) Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Standalone/Consolidated	Face value (₹ per share)	Total income (in ₹ million)	EPS		NAV (₹ per share)	P/E	RoNW %
				Basic	Diluted			
Sai Silks (Kalamandir) Limited	Standalone	2.00	13,589.20	8.11	8.11	33.02	-	24.56
<b>Peer Group</b>								
Vedant Fashions Limited	Consolidated	1.00	13,951.71	17.68	17.68	57.66	71.29	30.65
TCNS Clothing Co. Limited	Standalone	2.00	12,175.98	(2.75)	(2.75)	99.10	NM	NM
Go Fashion (India) Limited	Standalone	10.00	6,771.94	15.33	15.33	96.36	87.74	15.91
Aditya Birla Fashion and Retail Limited	Consolidated	10.00	125,343.60	(0.38)	(0.38)	35.24	NM	NM
Shoppers Stop Limited	Consolidated	5.00	40,788.60	10.59	10.51	18.79	69.34	56.30
Trent Limited	Consolidated	1.00	85,025.40	12.51	12.51	74.91	163.76	14.78

Notes:

a) With respect to our Company, the information above is based on the Restated Financial Statements for the year ended March 31, 2023.

b) Financial information for listed industry peers mentioned above is for the year ended March 31, 2023 and is based on audited financial results/ annual report disclosed by these companies to the stock exchanges.

c) Diluted EPS refers to the diluted earnings per share sourced from the audited financial results of the respective company.

d) NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares. In case of Aditya Birla Fashion and Retail Limited, partly paid up shares have also been considered.

e) P/E Ratio has been computed based on the closing market price of the equity shares (Source: NSE) on August 31, 2023, divided by the Diluted EPS.

f) RoNW is computed as net profit attributable to owners of the company divided by net worth at the end of the year, or as disclosed by the respective peers in their financial statements for the relevant period.

g) Net worth is sum of share capital and other equity.

h) NM means not meaningful since the numerator or denominator is a negative number.

#### (b) Comparison of our KPIs with Listed Industry Peers

i. Parameter for year ended March 31, 2023

(All figures in ₹ million, unless otherwise indicated)

Metric	Sai Silks (Kalamandir) Limited	Ved
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...continued from previous page.

iii. Parameter for year ended March 31, 2021

(All figures in ₹ million, unless otherwise indicated)

Metric	Sai Silks (Kalamandir) Limited	Vedant Fashions Limited	TCNS Clothing Co. Limited	Go Fashion (India) Limited	Aditya Birla Fashion and Retail Limited	Shoppers Stop Limited	Trent Limited
RoCE <sup>(1)</sup>	8.51%	22.21%	-6.56%	5.69%	-30.34%	-21.21%	1.55%
Debt to Equity Ratio <sup>(2)</sup>	0.89	-	0.01	0.04	0.42	1.55	0.13
Net Debt/EBITDA <sup>(3)</sup>	1.25	-	-	-	2.04	3.46	3.01
<b>Operational Parameter</b>							
Stores <sup>(4)</sup>	42.00	NA	551.00	449.00	3,212.00	251.00	317.00
Cities <sup>(5)</sup>	11.00	NA	NA	114.00	NA	47.00	104.00
Average Store Area (square feet) <sup>(6)</sup>	12,171.00	NA	NA	379.64	2,615.19	17,928.29	-
<b>Metrics per Square Feet (sq.ft.)</b>							
- Average revenue from operations per square feet (for all stores) <sup>(7)</sup>	13,247.00	NA	NA	10,135.26	6,248.71	3,886.58	7,159.00
- Average revenue from operations per square feet (for Mature Stores <sup>(8)</sup> ) <sup>(9)</sup>	13,058.00	NA	NA	NA	NA	NA	NA
<b>Revenue Metrics per Store (₹ million)</b>							
- Average revenue from operations (for all stores) <sup>(10)</sup>	161.23	NA	11.53	5.58	16.34	69.68	81.80
- Average revenue from operations (for Mature Stores <sup>(10)</sup> ) <sup>(11)</sup>	161.85	NA	NA	NA	NA	NA	NA
Average Capital Expenditure per Store (₹ million) <sup>(12)</sup>	50.43	NA	NA	NA	NA	NA	NA

Notes (for all the three tables included here)

- Revenue from operations is the total revenue generated by the Company from its operations.
- EBITDA is calculated as the sum of Profit Before Tax, Depreciation and Finance Costs less other income.
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- Gross Margin is calculated as sales less the sum of Purchases of Stock in Trade and Change in Inventories.
- Profit for the year is profit for the year as appearing in the Restated Financial Statements.
- Return on Equity is calculated as Restated Profit for the Year divided by Average Net Worth, where "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations.
- Return on Capital Employed is calculated as Earnings Before Interest and Tax divided by Capital Employed where Capital Employed is sum of Tangible Net Worth, Total Debt and Deferred Tax Liability.
- Debt to Equity Ratio is calculated as Total Term Liabilities divided by the sum of Equity Share Capital and Other Equity.
- Net Debt/EBITDA is calculated as Total Term Liabilities divided by EBITDA.
- Stores refer to the number of stores at the end of the relevant fiscal.
- Cities refer to the number of cities in which the stores were operating as at the end of the relevant fiscal.
- Average Store Area is the total square foot of all the stores divided by the number of stores as at the end of the relevant fiscal.
- Average Revenue from operations per square foot is the total revenue from operations divided by the square foot for all stores as at the end of the relevant fiscal.
- Mature Stores refer to Stores that have been operating for a period of more than 12 months. In Fiscal 2021, 2022 and 2023, the company had 41, 40, and 46 Mature Stores, respectively.
- Average Revenue from operations per square foot for mature stores is the total revenue from operations for the mature stores divided by the square foot of mature stores as at the end of the relevant fiscal.
- Average Revenue from operations for all stores is the total revenue from operations divided by number of stores at the end of the relevant fiscal.
- Average Revenue from operations for mature stores is the total revenue from operations for the mature stores divided by number of mature stores as at the end of the relevant fiscal.
- Average Capital Expenditure per Store refers to the cost of interiors, furniture and equipment, plant and machinery divided by number of stores at the end of the relevant fiscal.

9. **Past Transfer(s)/ Allotment(s)**  
Our Company confirms that there has been no:  
(a) primary/new issue of shares (Equity Shares/convertible securities), excluding grants of any options and issuance of bonus shares, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of the Red Herring Prospectus. Set forth below are details of last five primary transactions during three years preceding the date of filing of the Red Herring Prospectus:

Primary transaction:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ Million)
27-Mar-2021	110,000	10	100	Rights issue	Cash	11.00
26-Feb-2021	200,000	10	100	Rights issue	Cash	20.00
23-Oct-2020	300,000	10	100	Rights issue	Cash	30.00

The equity shares of the Company were sub-divided from equity shares of face value of ₹ 10 each into equity shares of face value of ₹ 2 each, pursuant to Board and Shareholders' resolution passed on May 3, 2022 and May 18, 2022 respectively.

**Weighted average cost of acquisition (WACA)** As certified by our Statutory Auditors, by way of their certificate dated September 13, 2023

	<b>₹ 20.00</b>
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\*Acquisition price per Equity Share has been adjusted for corporate actions, namely, sub-division and issue of Equity Shares pursuant to bonus issue. The Company has issued 60,16,145 shares of face value of ₹ 2 each at ₹ 22 per share to SSKL Employees Trust on June 09, 2022. The same was not taken into consideration as primary allotment for determination of Weighted Average cost of acquisition (WACA).

(b) secondary sale/acquisition of shares (Equity Shares/convertible securities) by Promoters, Promoter Group entities, Selling Shareholders, excluding gifts, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of the Red Herring Prospectus. None of our Shareholders is entitled to nominate Directors on our Board.

The secondary transactions which took place among the Promoters, Promoter Group and Selling Shareholders during the last three years were done by way of gifting of shares among themselves and therefore no consideration was taken into consideration for determination of Weighted Average cost of acquisition (WACA).

(c) Floor Price and Cap Price vis-à-vis Weighted Average Cost of Acquisition based on Past Allotment(s)/ Secondary Transaction(s)  
Floor Price and Cap Price as compared to the weighted average cost of acquisition of Equity Shares based on primary/secondary transaction(s), as disclosed in paragraphs (a) and (b) above, are set out below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)*	Floor price (i.e. INR 210)	Cap price (i.e. INR 222)
Last 5 Primary issuances / Secondary transactions**	₹ 20.00	10.50 times	11.10 times

\*As certified by our Statutory Auditors, by way of their certificate dated September 13, 2023  
\*\*Secondary transactions where Promoters / Promoter Group entities or Selling Shareholders are a party to the transaction.

10. **Justification of Offer Price**  
Set out below is an explanation for our Offer Price/Cap Price being 222 in comparison to our WACA of Primary Issuance along with our Company's key performance indicators and financial ratios for Fiscals 2023, 2022 and 2021 and (b) in view of the external factors which may have influenced the pricing of the Offer. For details of our Company's KPIs, see "Key financial and operational metrics (KPIs)" above.

- We 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. (Source: Technopak Report) Through our four store formats, i.e., Kalamandir, VaramMahalakshmi Silks, Mandir and KLM Fashion Mall, we offer our products to various segments of the market that include premium ethnic fashion, ethnic fashion for middle income and value-fashion, with a variety of products across different price points, thereby catering to customers across all market segments.
- The Indian apparel industry is expected to make a comeback post COVID-19 with the market expected to recover at higher pace of 22.4% between Fiscal 2022 to Fiscal 2025. While the CAGR of the total apparel market between Fiscal 2020 and Fiscal 2027 is expected to be approximately 13.2%, branded apparel and organized apparel retail are expected to grow at a CAGR of approximately 17% and approximately 19.9%, respectively in the same period. Growth of both branded apparel share and organized apparel retail share in apparel category will outpace the overall category growth. (Source: Technopak Report)
- Historically, the ethnic retail trade of sarees was dominated by unorganized players in small format stores with a very few organized players. (Source: Technopak Report) Our founders recognised the opportunity and in order to address the gap in the market, we commenced operations in 2005. Today, we offer one of the widest portfolios of saree SKUs among women's apparel brands in India. (Source: Technopak Report) with large retail outlets that provide customers a wide variety of options in ethnic wear across various price points. (Source: Technopak Report)
- The share of organised retail in women's apparel, which was 14% in Fiscal 2015, increased to 31% in Fiscal 2022 and is expected to reach 44% by Fiscal 2028, amounting to ₹ 1,754.44 billion. (Source: Technopak Report) Focussed approach towards offering consistent quality at affordable prices has been driving growth in the value fashion segment. The consistent delivery of this promise in tier II, III and IV cities has been aiding the transition of consumers from the unorganised traditional shops to the organised value retailers. (Source: Technopak Report). We consider that the variety of products offered by us at different price points have allowed us to serve over 5.98 million customers since our inception.
- Our store formats have a strong offline and online presence. While we commenced our operations through our first 'Kalamandir' store in 2005 at Hyderabad, Telangana with a store size of 3,213 square feet, we have over the years expanded our stores to 54 stores in four major south Indian states, i.e., Andhra Pradesh, Telangana, Karnataka and Tamil Nadu, with an aggregate area of approximately 603,414 square feet as of July 31, 2023. We have expanded our presence in online e-commerce marketplace and started selling our products through our own online websites, www.kalamandir.com, www.brandmandir.com, www.kanchivml.com, www.klmfashionmall.com and www.kalamandiroyal.com as well as through other third-party online e-commerce websites which provides an omnichannel network to our customers through our online and offline channels.
- Our business model has resulted in positive cash flows over the years, other than the year which witnessed the impact of COVID-19 pandemic with prolonged shut downs, as well as in the initial months during Fiscal 2022 when India experienced the second wave of the COVID-19 pandemic, which caused sporadic shut downs in the states in which we operate. Our net cash flows generated from / (used in) our operating activities were ₹ (152.00) million, ₹ 455.98 million and ₹ 412.31 million in Fiscal 2021 and 2022 and 2023, respectively. Our RoCE was 8.51%, 21.71% and 23.55% for the years ended March 31, 2021, 2022 and 2023. Our RoE was 2.16%, 21.22% and 27.96% as of March 31, 2021, 2022 and 2023.

The Offer Price is [•] times of the face value of the Equity Shares.  
The Offer Price of ₹ [•] has been determined by our Company in consultation with the BRLMs, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 28, 178, 237, and 329, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" beginning on page 28 and you may lose all or part of your investments.

FOR FURTHER DETAILS, SEE "BASIS FOR THE OFFER PRICE" BEGINNING ON PAGE 113 OF THE RHP.

**ASBA** # Simple, Safe, Smart way of Application!!!

# Applications supported by blocked amount ("ASBA") is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA.

**Mandatory in public issues. No cheque will be accepted.**

**UPI** Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, Syndicate DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 400 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFPI=yes&intmid=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFPI=yes&intmid=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and HDFC Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2016 as amended. For offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", and such portion, "QIB Portion") provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Portion"). Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds and the remainder of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders ("Non-Institutional Category") of which (a) one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 20,00,000 and up to ₹ 1,00,00,000 and (b) two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,00,00,000, and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("Retail Category"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process, and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the Self-Certified Syndicate Banks ("SCSBs") or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 400 of the RHP.

Bidders/Applicants should ensure that DPID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) are correctly filled in the Bid cum Application Form. The DPID, PAN and Client ID provided in the Bid cum Application Form should match with the DPID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DPID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and any subsequent releases in this regard. CBDT circular no.7 of 2022, dated March 30,

2022, read with press release dated March 28, 2023.

**Contents of the Memorandum of Association of our Company as regards its objects:** For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 205 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, please see the section entitled "Material Contracts and Documents for Inspection" on page 438 of the RHP.

**Liability of the members of our Company:** Limited by shares

**Amount of share capital of our Company and Capital structure:** As on the date of the RHP, the authorised share capital of the Company is ₹ 240,00,00,000 consisting of 210,000,000 Equity Shares having of ₹ 2 each. The issued, subscribed and paid-up share capital of the Company is ₹ 252,678,170 divided into, 126,339,085 equity shares of face value of ₹ 2 each. For details, please see the section entitled "Capital Structure" beginning on page 78 of the RHP.

**Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them:** The names of the signatories of the Memorandum of Association of our Company are Nagakanaka Durga Prasad Chalapudi, Jhansi Rani Chalapudi, Kalyan Srinivas Annam, Subash Chandra Mohan Annam, Sushitra Annam, Sowjanya Annam, and Venkata Rajesh Annam. For details of the share capital history and capital structure of our Company, please see the section entitled "Capital Structure" beginning on page 78 of the RHP.

**Listing:** The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), collectively ("Stock Exchanges"). Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated August 29, 2022 and September 1, 2022, respectively. For the purposes of this Offer, BSE shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus was filed and the Prospectus shall be filed, with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 438 of the RHP.

**Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"):** SEBI only gives its observations on the draft offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer document. The investors are advised to refer to page 381 of the RHP for the full text of the disclaimer clause of SEBI.

**Disclaimer Clause of NSE:** It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 383 of the RHP for the full text of the disclaimer clause of NSE.

**Disclaimer Clause of BSE (Designated Stock Exchange):** It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 383 of the RHP for the full text of the disclaimer clause of BSE.

**General Risk:** Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 28 of the RHP.

	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER		
<p><b>Motilal Oswal Investment Advisors Limited</b> Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025 Maharashtra, India Telephone: +91 22 7193 4380 E-mail: sskl ipo@motilaloswal.com Investor Grievance E-mail: moiapredressal@motilaloswalgroup.com Website: www.motilaloswalgroup.com Contact Person: Ritu Sharma / Sankita Ajinkya SEBI Registration No.: INM000011005</p>	<p><b>HDFC Bank Limited</b> Investment Banking Group, Unit No. 401 &amp; 402, 4<sup>th</sup> Floor, Tower B Peninsula Business Park, Lower Parel, Mumbai - 400 013, Maharashtra, India Telephone: +91 22 3395 8233 E-mail: ssklipo@hdfcbank.com Investor Grievance E-mail: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Kunal Thakkar / Dhruv Bhavsar SEBI Registration No.: INM000011252</p>	<p><b>Nuvama Wealth Management Limited</b> (formerly known as Edelweiss Securities Limited) # 801 - 804, Wing A, Building No 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India Telephone: +91 22 4009 4400 E-mail: sskl ipo@nuvama.com Investor Grievance ID: customerservice.mb@nuvama.com Website: www.nuvama.com Contact Person: Manish Tejwani / Lokesh Singhi SEBI Registration Number: INM000013004</p>	<p><b>Bigshare Services Private Limited</b> Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakal Caves Road, Andheri (East) Mumbai - 400093 Telephone: 022 62638200 E-mail: ipo@bigshareonline.com Investor Grievance e-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Jibu John SEBI Registration No.: INR000001385</p>	<p><b>Matte Koti Bhaskara Teja</b> 6-3-790/8, Flat No. 1, Bathina Apartments, Ameerpet, Hyderabad - 500 016, Telangana, India. Telephone: +91 40 6656 6555 E-mail: secretarial@sskl.co.in</p> <p>Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-credit of refund orders or non-credit of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.</p>

# Pursuant to the order dated April 27, 2023, passed by the National Company Law Tribunal, Mumbai Bench, the merchant banking business of Edelweiss Financial Services Limited has demerged and now transferred to Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and therefore, the said merchant banking business is part of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited).

**AVAILABILITY OF THE RHP:** Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 28 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, i.e. Motilal Oswal Investment Advisors Limited at www.motilaloswalgroup.com, HDFC Bank Limited at www.hdfcbank.com and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) at www.nuvama.com, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

**AVAILABILITY OF BID CUM APPLICATION FORMS:** Bid cum Application Forms can be obtained from the Registered Office of SAI SILKS (KALAMANDIR) LIMITED, Telephone: +91 40 6656 6555; BRLMs: Motilal Oswal Investment Advisors Limited, Telephone: +91 22 7193 4380; HDFC Bank Limited, Telephone: +91 22 3395 8233; Nuvama Wealth Management Limited, (formerly known as Edelweiss Securities Limited), Telephone: +91 22 4009 4400; Syndicate Members: Motilal Oswal Financial Services Limited, Telephone: +91 22 7193 4200 / +91 22 7193 4263; HDFC Securities Limited, Telephone: +91 22 3075 3400 and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Telephone: +91 22 4009 4400; at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

**Sub-Syndicate Members:** Almondz Global Securities Ltd., Anand Rathi Share & Stock Brokers Ltd., Asit C. Mehta Investment Intermediates Ltd., Axis Capital Ltd., Centrum Broking Ltd., Finwizard Technology Private Ltd., ICICI Securities Ltd., IDBI Capital Markets & Securities Ltd., IIFL Securities Ltd., JM Financial Services Ltd., Kantilal Chhaganlal Securities, Keynote Capitals Ltd., KJMC Capital Market Services Ltd., Kotak Securities Ltd., LKP Securities Ltd., Marwadi Shares & Finance., Next World, nextbillion technology private Ltd., Nirmal Bang Securities, Prabhudas Laldhara Pvt Ltd., Pravin Rattal Share & Stock Brokers Ltd., Rikhav Securities Ltd., RR Equity Brokers Pvt. Ltd., SBICAP Securities Ltd., Sharekhan Ltd., SMC Global Securities Ltd., SS Corporate Securities Ltd., Sunidhi Securities And Finance Ltd., Systematx Shares And Stocks India Ltd., TradeBulls Securities (P) Ltd., Upstock, YES Securities (India) Ltd and Zerodha

**Escrow Collection Bank and Refund Bank:** Axis Bank Limited • Public Offer Bank: HDFC Bank Limited • Sponsor Banks: Axis Bank Limited and HDFC Bank Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For Sai Silks (Kalamandir) Limited  
On behalf of the Board of Directors  
Sd/-  
**Matte Koti Bhaskara Teja**  
Company Secretary and Compliance Officer

Place: Hyderabad, Telangana  
Date: September 13, 2023

SAI SILKS (KALAMANDIR) LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations to undertake an initial public offer of its Equity Shares and has filed the RHP with RoC. The RHP is available on the website of SEBI at www.sebi.gov.in as well as on the websites of the Stock Exchanges i.e. BSE at www.bseindia.com and NSE at www.nseindia.com, the Company at www.sskl.co.in and is available on the website of the BRLMs, i.e. Motilal Oswal Investment Advisors Limited at www.motilaloswalgroup.com, HDFC Bank Limited at www.hdfcbank.com and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) at www.nuvama.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" beginning on page 28 of the RHP. Potential investors should not rely on the DRHP dated July 21, 2022 or the addendum to the DRHP dated July 25, 2023 filed with SEBI in making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.