

Rating : Neutral

Issue Offer

Fresh Issue of 19,05,600 equity shares amounting to INR 306.80 Mn

Issue Summary

Price Band INR	153-161
Face Value INR	10
Implied Market Cap INR Mn.	1,025.2
Market Lot	800
Issue Opens on	June 30, 2025
Issue Close on	July 2, 2025
No. of share pre-issue	44,62,023
No. of share post issue	63,67,623
Listing	NSE Emerge

Issue Break-up %

QIB Portion	≥ 50%
Retail Portion	≤ 35%
NII Portion	≤ 15%

Registrar

Skyline Financial Services Pvt. Ltd.

Book Running Lead Managers

Gretex Corporate Services Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	86.38%	60.53%
Public & Others	13.62%	39.47%

Objects of the issue

- Setting up of Additional Storage Facility
- Repayment/Pre-payment of Certain Debt Facilities
- Working Capital Requirement
- General Corporate Purposes

Silky Overseas Limited, originally incorporated in May 2016 as a private limited entity, transitioned to a public limited company in November 2023. Headquartered in Delhi, with its manufacturing facility located in Sonipat, Haryana, the company is an integrated manufacturer and supplier of home furnishing and bedding essentials such as blankets, bedsheets, comforters, baby blankets, and curtains. The firm boasts a fully integrated production infrastructure encompassing knitting, dyeing, processing, printing, and packaging under one roof. This vertical integration not only ensures efficient cost control and product consistency but also enables the timely fulfillment of bulk customized orders. Silky Overseas operates predominantly on an order-based model catering to both domestic and emerging export markets. The company emphasizes sustainable operations, adheres to quality standards (ISO 9001:2015 certified), and leverages an experienced team of professionals and promoters to deliver products that resonate with contemporary design sensibilities while maintaining durability and affordability.

Investment Rationale

Fully Integrated Manufacturing Facility with Quality Control: Company's competitive edge lies in its end-to-end in-house capabilities from fabric knitting to final packaging, allowing it to maintain stringent quality controls, reduce dependency on third-party vendors, and offer customized solutions with faster turnaround times. The company's ISO 9001:2015 certification underscores its strong quality assurance framework.

Strategic Raw Material Procurement Model: The company strategically procures high thread count fabric at discounted rates by sourcing surplus or slightly imperfect fabric in bulk. This enables the company to deliver superior quality products at competitive prices, effectively passing on cost advantages to customers without compromising on quality.

Strong Promoter Experience and Customer-Centric Approach: Backed by seasoned promoters with deep industry experience and a wide business network, the company can swiftly respond to market dynamics and build long-term relationships. This experience is instrumental in acquiring new clients, ensuring customer retention, and facilitating operational scalability.

Diversified Product Portfolio with Customization Capabilities: Company offers a wide array of home furnishing products including blankets, bedsheets, comforters, baby blankets, and curtains, enabling it to cater to varied customer needs across price points. Its in-house design and processing capabilities allow for customization in terms of size, design, fabric, and packaging making it a preferred partner for institutional buyers, wholesalers, and emerging exporters. This diversified portfolio not only reduces product concentration risk but also enhances customer stickiness, enabling the company to maintain steady demand across seasons and geographies.

Valuation and View: Silky Overseas Limited positions itself as a scalable player in the mid-market home furnishing segment with a prudent mix of operational integration, quality focus, and promoter-driven agility. With a growing customer base, improving margins through strategic sourcing, and expanding financial metrics, the company appears poised to capitalize on the increasing demand for quality yet affordable home furnishing products in both domestic and export markets. Continued investments in capacity (embroidery machines, logistics), adherence to sustainability practices, and potential scale benefits make it an interesting long-term value accretive story. **At the upper band of INR 161, the issue is valued at a P/E ratio of 9.32x, based on Annualized FY25 EPS of INR 17.28. We are recommending a "Neutral" for this issue currently.**

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

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