

No. CARE/HRO/GEN/2025-26/1004

The Board of Directors  
Sai Silks (Kalamandir) Limited  
6-3-790/8, Flat No.1,  
Bathina Apartment Ameerpet,  
Hyderabad  
Telangana 500016

May 12, 2025

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the IPO of Sai Silks (Kalamandir) Limited ("the Company")**

We write in our capacity of Monitoring Agency for the IPO for the amount aggregating to Rs. 600 crore of the Company and refer to our duties cast under 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2025 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 12, 2023.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

*Tejeshwar Reddy*

**Y Tejeshwar Reddy**

Assistant Director

[tejeshwar.reddy@careedge.in](mailto:tejeshwar.reddy@careedge.in)

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

**Report of the Monitoring Agency**

Name of the issuer: Sai Silks (Kalamandir) Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: There are deviations in terms of timelines for objects 1, 2, 3, and 5. However, overall amount specified to be utilized under the respective objects remain same. Reason for delays in the timelines are provided below.

(b) Range of Deviation: Not Applicable as there is no deviation in the amounts specified towards the objects.

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Y Tejeshwar Reddy

Designation of Authorized person/Signing Authority: Assistant Director

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### 1) Issuer Details:

Name of the issuer : Sai Silks (Kalamandir) Limited  
 Name of the promoter : Nagakanaka Durga Prasad Chalavadi and Jhansi Rani Chalavadi  
 Industry/sector to which it belongs : Retailing - Distributors

### 2)

Issue Period : September 20,2023 to September 22, 2023  
 Type of issue (public/rights) : Public Fresh Issue  
 Type of specified securities : Equity Shares  
 IPO Grading, if any : Not Applicable  
 Issue size (in crore) : Rs.600 crore (Note 1)

### Issue Details

### Note 1:

The company had offered 2,70,27,027 Equity Shares under the fresh issue, at Rs. 222 per share aggregating to ₹ 600 crore. The issue was fully Subscribed, and the company has allotted same number of Equity Shares to the applicants.

Particulars	Remarks
Total shares issued and subscribed as a part of fresh issue Nos @ (Rs. 222 Per Share)	2,70,27,027
Total proceeds received from IPO (In Rs. Crore)	600.00
Details of expenses incurred related to IPO issue (In Rs. Crore)*	33.76
Net proceeds available for utilization (In Rs. Crore)	566.24

\*The amount mentioned as expenses was earmarked for cost of issue as per the offer document and is not the actual cost. As of March 31, 2025, the company entirely incurred the issue related expenses.

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### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	CA certificate*, Bank statements	The net proceeds of the issue are Rs.566.24 crore out of which Rs.384.69 crore was spent as on March 31, 2025.	-
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	-
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	-
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	No, there are no deviations observed from last monitoring agency report	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not applicable	Not applicable	Not applicable	-
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	CA Certificate and Management Certificate	There has been delay in utilization of funds toward setting up of new stores and warehouses as mentioned in the objects.	-

\* CA certificate from Sagar & Associates dated April 30, 2025

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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**4) Details of objects to be monitored:**

**(i) Cost of objects –**

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Funding capital expenditure for setting up of 30 new stores	Chartered Accountant certificate, Final Prospectus	125.08	Not applicable	None for quarter under review	-	-	-
2	Funding capital expenditure for setting of two new warehouses		25.40			-	-	-
3	Funding working capital requirements of our company		280.07			-	-	-
4	Repayment of pre-payment of certain borrowings availed by our Company		50.00			-	-	-
5	General Corporate purposes		85.69			-	-	-
Total			566.24					

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Funding capital expenditure for setting up of 30 new stores #	CA certificate, Bank statements	125.08	54.43	9.54	63.96	61.12	SSKL has set up 14 new stores as per the objects of IPO out of which 2 stores were opened in Q4FY25. The funds have moved directly from MA A/c to multiple vendors for the purpose.	-	-
2	Funding capital expenditure for setting of two new warehouses @		25.40	1.63	0.00	1.63	23.77	Nil utilisation during the quarter	-	-
3	Funding working capital requirements of our company ^		280.07	178.08	8.11	186.20	93.87	SSKL has utilised Rs.8.11 crore during Q4FY25 and the funds have moved directly from MA A/c to multiple vendors.	-	-
4	Repayment or pre-payment of certain borrowings availed by our Company		50.00	50.00	0.00	50.00	0.00	Fully utilized	-	-
5	General Corporate purposes *		85.69	82.90	0.00	82.90	2.79	Nil utilisation during the quarter	-	-
Total			566.24	367.04	17.65	384.69	181.55			

*#SSKL had spent Rs. 63.96 crore as of March 31, 2025. As per the offer document, proceeds of Rs.103.31 crore was to be utilized by end of March 2025. However, the management had indicated that they are planning to establish multiple outlets in strategic locations which will capture the market well. However, the same is a lengthy procedure and management is adding multiple stores every quarter. Hence, there is a delay in implementation of the same.*

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@SSKL had spent Rs. 1.63 crore as of March 31, 2025. As per the offer document, entire proceeds of Rs.25.40 crore was to be utilized by end of March 2024. However, the management had indicated that they are planning to establish the warehouse in a strategic location, so to serve all the showrooms in Tamil Nadu with an object of minimizing the cost of logistics as well as maintenance costs. This can be done only when all the locations are finalized for establishing the showrooms. Hence, there is a delay in implementation of the same. The same is ratified in the Board meeting held on May 24, 2024.

^SSKL had spent Rs.186.20 crore as of March 31, 2025. As per the offer document, proceeds of Rs.228.97 crore was to be utilized by end of March 2025.

\*SSKL has spent Rs. 82.90 crore towards General Corporate Purpose as of March 31, 2025. However, as per offer document, the entire amount entitled for GCP was supposed to be utilized by March 2024. There was delay in utilization in terms of timelines. The funds are lying in the form of FDs and in monitoring account.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed Deposit – HDFC bank	198.00	3 FDs dated 04/10/2025 2 FDs dated 09/10/2025 10 FDs dated 20/01/2026	1.09	7.35% 6.60%*	199.09
2.	Balance in IPO monitoring account	0.35	-	-	-	0.35
	<b>Total</b>	<b>198.35^</b>		<b>1.09</b>		<b>199.44</b>

\*3 FDs amounting to Rs.1 crore each were reinvested with a RoI of 6.60%.

^The unutilized proceeds include interest on FD of Rs.16.80 crore. Excluding the same, unutilized amount from net proceeds of fresh issue stands at Rs.181.55 crore.

Details of FDs placed with HDFC Bank (FD Note):

S.no	Bank	Maturity date	Amount invested	Return on Investment (%)	Market value at the end of the quarter
1	HDFC Bank	04-Oct-25	50.00	7.35%	50.30
2	HDFC Bank	04-Oct-25	50.00	7.35%	50.30
3	HDFC Bank	04-Oct-25	50.00	7.35%	50.30
4	HDFC Bank	09-Oct-25	5.00	7.35%	5.03
5	HDFC Bank	09-Oct-25	5.00	7.35%	5.03
6	HDFC Bank	20-Jan-26	5.00	7.35%	5.01
7	HDFC Bank	20-Jan-26	5.00	7.35%	5.01

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S.no	Bank	Maturity date	Amount invested	Return on Investment (%)	Market value at the end of the quarter
8	HDFC Bank	20-Jan-26	5.00	7.35%	5.01
9	HDFC Bank	20-Jan-26	5.00	7.35%	5.01
10	HDFC Bank	20-Jan-26	5.00	7.35%	5.01
11	HDFC Bank	20-Jan-26	5.00	7.35%	5.01
12	HDFC Bank	20-Jan-26	5.00	7.35%	5.01
13	HDFC Bank	20-Jan-26	1.00	6.60%	1.01
14	HDFC Bank	20-Jan-26	1.00	6.60%	1.01
15	HDFC Bank	20-Jan-26	1.00	6.60%	1.01
		<b>Total</b>	<b>198.00</b>		<b>199.06</b>

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Funding capital expenditure for setting up of 30 new stores	March 2026	March 2026	-	-	-
Funding capital expenditure for setting of two new warehouses	March 2024	Not ascertainable @	Ongoing	-	-
Funding working capital requirements of our company	March 2026	March 2026	-	-	-
Repayment or pre-payment of certain borrowings availed by our Company	March 2024	June 2024*	3 months	-	-
GCP	March 2024	Not ascertainable^	Ongoing	-	-

@SSKL had spent Rs. 1.63 crore as of March 31, 2025. As per the offer document, entire proceeds of Rs.25.40 crore was to be utilized by end of March 2024.

\*The company had repaid Rs.47.12 crore as of March 31, 2024. The payment of Rs.2.88 crore was delayed which was to be utilised towards repayment of borrowings. However, the same was repaid during Q1FY25. The reason for delaying the repayments is to avoid the prepayment charges.

^SSKL has spent Rs. 82.90 crore towards General Corporate Purpose as of March 31, 2025. However, as per offer document, the entire amount entitled for GCP was supposed to be utilized by March 2024. There is a delay in utilization in terms of timelines, however, the funds are lying in the form of FDs and in monitoring account.

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Particulars	Estimated Utilization from Net Proceeds	Estimated Schedule of payment			Actual utilisations		
		Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2024	Fiscal 2025	Fiscal 2026
Funding capital expenditure for setting up of 30 new stores	125.08	30.47	72.84	21.76	27.56	36.40	-
Funding capital expenditure for setting of two new warehouses	25.40	25.40	-	-	0.94	0.69	-
Funding working capital requirements of our company	280.07	72.30	156.67	51.08	115.98	70.22	-
Repayment or pre-payment of certain borrowings availed by our Company	50.00	50.00	-	-	47.12	2.88	-
GCP	85.69	85.69	-	-	70.55	12.35	-
<b>Total</b>	<b>566.24</b>	<b>263.86</b>	<b>229.52</b>	<b>72.84</b>	<b>262.15</b>	<b>122.54</b>	<b>-</b>

### Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds, as set forth in the table below:

(in ₹ million)

Particulars	Estimated utilisation from Net Proceeds	Estimated schedule of deployment		
		Fiscal 2024	Fiscal 2025	Fiscal 2026
Funding capital expenditure towards setting-up of 30 new stores	1,250.84	304.73	728.45	217.66
Funding capital expenditure towards setting-up of two warehouses	253.99	253.99	-	-
Funding working capital requirements of our Company	2,800.67	723.07	1,566.77	510.83
Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	500.00	500.00	-	-
General Corporate Purposes <sup>(1)^</sup>	856.87	856.87	-	-
<b>Total<sup>^</sup></b>	<b>5,662.37</b>	<b>2,638.66</b>	<b>2,295.22</b>	<b>728.49</b>

<sup>(1)</sup> The aggregate amount to be utilised for general corporate purposes does not exceed 25% of the Gross Proceeds.

<sup>^</sup> Subject to finalisation of Basis of Allotment.

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5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head <sup>^</sup>	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	General Corporate Purposes (Vendor Payments)	82.90	CA certificate*, Bank statement	None	
	<b>Total</b>	<b>82.90</b>			

\* CA certificate from Sagar & Associates dated April 30, 2025

<sup>^</sup> Section from the offer document related to GCP:

“Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ 566.24 crore (net of the expenses in relation to the Offer) towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Offer, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include strategic initiatives, meeting our long term and short-term working capital requirements, marketing, advertising expenditures and business development expenses, expansion of facilities, payment of salaries and allowances, rent, administration, insurance, repairs and maintenance, payment of taxes, duties and meeting expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act or other applicable laws.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board, shall have flexibility in utilizing surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal”.

As per Pg 108 and 109 of the final prospectus dated September 26, 2023

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**Disclaimers to MA report:**

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
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- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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