

SAI SILKS (KALAMANDIR) LIMITED

CIN: U52190TG2008PLC059968

Registered Office: # 6-3-790/8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500016
Telangana, India. 040-66566555. Email: secretarial@sskl.co.in



www.sskl.co.in

Date: 10.02.2024

To Corporate Relations Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001, India Scrip Code: 543989	To Listing Manager, National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, India Symbol: KALAMANDIR
---	---

Dear Sir / Madam

Sub: Report of the Monitoring agency with respect to utilisation of proceeds of the Initial Public offering of Sai Silks (Kalamandir) Limited

Pursuant to Regulation 32 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith monitoring agency in respect of utilisation of IPO proceeds for quarter ended 31st December, 2023 issued by CARE Rating Ltd, Monitoring Agency.

This is for your information and records.

For Sai Silks (Kalamandir) Limited

M.K.Bhaskara Teja

Company Secretary & Compliance officer



No. CARE/HRO/GEN/2023-24/1016

Shri Chalavadi N K Durga Prasad
Managing Director
Sai Silks (kalamandir) Limited
6-3-790/8, Flat No.1,
Bathina Apartment Ameerpet,
Hyderabad
Telangana 500016

February 10,2024

Dear Sir,

Monitoring Agency Report for the quarter ended December 31,2023 - in relation to the Initial Public Offerings of Equity Shares of Sai Silks (Kalamandir) Limited ("the Company")

We write in our capacity of Monitoring Agency for the Fresh Issue of 2,70,27,027 for the amount aggregating to Rs. 600.00 crore of the Company and refer to our duties cast under 82 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 December 31, 2023 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

Report of the Monitoring Agency

Name of the issuer: Sai Silks (Kalamandir) Limited

For quarter ended: December 31, 2023

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

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.

Tejeshwar Reddy

Signature:

Name and designation of the Authorized Signatory: Y. Tejeshwar Reddy

Designation of Authorized person/Signing Authority: Assistant Director

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

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 Rs. crore) : Rs. 600.00 crore (Note 1)

Issue Details

Note 1

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 December 31, 2023, the company had incurred Rs.23.51 crore with respect to issue related expenses.

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

Particulars	Reply	Source of information / certification s considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments the Board of Director
Whether all utilization is as per the disclosures in the Offer Document?	Yes	CA certificate*, Bank statements	<p>The net proceeds of the issue are Rs.566.24 crore out of which Rs.153.60 crore was spent as on December 31, 2023. The balance in monitoring account (MA) as on December 31, 2023, stands at Rs.13.13 crore. Rs.33.26 crore is held in public offer (PO) account. Rs.400 crore is placed in FDs with HDFC Bank.</p> <p>Total unutilised funds available amounts to Rs.446.39 crore which includes interest earned on FDs amounting Rs.7.01 crore and unutilised amount of Rs.26.74 crore which includes Rs. 10.25 crore to be utilised toward IPO related issue expenses and balance Rs.16.49 to be utilised towards issue expenses with respect to offer for sale.</p> <p>As per the placement document, the net proceeds from the Initial Public Offering of Equity shares must be utilized as per objects given in the offer document.</p> <p>As of December 31,2023, the company has repaid term loans of Rs. 47.12 crore, Rs. 11.72 crore towards funding capital expenditure for setting up 30 new stores, Rs. 0.70 towards funding capital</p>	

Particulars	Reply	Source of information / certification s considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments the Board of Director
			expenditure for setting up two new warehouses, 23.51 crore for funding working capital requirements. Further company has also used Rs. 23.51 crore towards offer related expenses.	
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	No	
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	
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)?	No	Not applicable	No	
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	No	

* Chartered Accountant certificate from M/s Sagar & Associates Chartered Accountants dated February 07, 2024.

#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.

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	Nil			
2	Funding capital expenditure for setting of two new warehouses	Chartered Accountant certificate*, Final Prospectus	25.40	Not applicable	Nil			
3	Funding working capital requirements of our company	Chartered Accountant certificate*, Final Prospectus	280.07	Not applicable	Nil			

TR

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
4	Repayment of pre-payment of certain borrowings availed by our Company	Chartered Accountant certificate*, Final Prospectus	50.00	Not Applicable	Nil			
5	General Corporate purposes	Chartered Accountant certificate*, Final Prospectus	85.69	Not Applicable	Nil			
Total			566.24					

* Chartered Accountant certificate from M/s Sagar & Associates Chartered Accountants dated February 07, 2024.

^pg. no: 92 and 93 of final prospectus filed by the company with SEBI on September 26, 2023

ii. Progress in the objects –

	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			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	-	11.72	11.72	113.36	The net proceeds from the issue were transferred to MA, from where amount was utilized for setting up 7 new stores across south India. The same is in line with as per objects of the issue.	-	-
2	Funding capital expenditure for setting of two new warehouses	CA certificate*, Bank statements	25.40	-	0.70	0.70	24.70	The net proceeds from the issue were transferred to MA, from where amount was utilized for construction of warehouse in Tamil Nadu. The same is in line with as per objects of the issue.	-	-

TR

	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			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
3	Funding working capital requirements of our company	CA certificate*, Bank statements	280.07	-	23.51	23.51	256.56	The net proceeds from the issue were transferred to MA, from where amount was utilized for paying the trade vendors as per objects of the issue.	-	-
4	Repayment of pre-payment of certain borrowings availed by our Company	CA certificate*, Bank statements	50.00	17.68	29.45	47.12	2.87	The net proceeds from the issue were transferred to MA, from where amount was utilized for repayment of term loan borrowings as per objects of the issue.	-	-
5	General Corporate purposes		85.69	-	70.55	70.55	15.14	The net proceeds from the issue were transferred to MA, from where amount was utilized for payments to trade vendors as per objects of the issue.	-	-
Total			566.24	17.68	135.92	153.60	412.64			

* Chartered Accountant certificate from M/s Sagar & Associates Chartered Accountants dated February 07, 2024.

iii. Deployment of unutilized IPO proceeds:

Rs. Crore						
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	400.00	October 02, 2024	7.43	7.26%-7.31%	400.00
2.	Balance in IPO monitoring account	13.13^	-	-	-	13.13

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
3.	Balance in Public Offer account	33.26 [^]	-	-	-	33.26
		446.39				446.39

[^]The proceeds include interest on FD of Rs.7.01 crore and unutilised amount of Rs.26.74 crore which includes Rs. 10.25 crore to be utilised toward IPO related issue expenses and balance Rs.16.49 to be utilised towards issue expenses with respect to offer for sale. Excluding the same, unutilised amount from net proceeds of fresh issue stands at Rs.412.64 crore.

*Chartered Accountant certificate from M/s. Sagar & Associates Chartered Accountants dated February 07, 2024, Fixed Deposit Receipts (FDR), Monitoring Account Statement

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	October 02,2024	50.00	7.31%	50.00
2	HDFC Bank	October 02,2024	50.00	7.31%	50.00
3	HDFC Bank	October 02,2024	50.00	7.31%	50.00
4	HDFC Bank	October 02,2024	50.00	7.31%	50.00
5	HDFC Bank	October 02,2024	50.00	7.31%	50.00
6	HDFC Bank	October 02,2024	50.00	7.31%	50.00
7	HDFC Bank	October 02,2024	25.00	7.26%	25.00
8	HDFC Bank	October 02,2024	25.00	7.26%	25.00
9	HDFC Bank	October 02,2024	25.00	7.26%	25.00
10	HDFC Bank	October 02,2024	25.00	7.26%	25.00
		Total	400.00		400.00

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	Not Applicable	-	-
Funding capital expenditure for setting of two new warehouses	March 2024	March 2024	Not Applicable	-	-
Funding working capital requirements of our company	March 2026	March 2026	Not Applicable	-	-
Repayment of pre-payment of certain borrowings availed by our Company	March 2024	March 2024	Not Applicable	-	-
General Corporate purposes (GCP)	From time to time	From time to time	Not Applicable	-	-

*In case of continuing object(s), please specify latest/revised estimate of the completion date.

The above details were verified from the Information shared by Sai Silks (Kalamandir) Limited, final prospectus and the Chartered Accountant certificate from M/s Sagar and Associates, Chartered Accountants dated February 07, 2024.

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

Sr. No	Item Head [^]	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	70.55	CA certificate*, Bank statement	The net proceeds from the issue were transferred to MA, from where amount	-

Sr. No	Item Head^	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
				was utilized for payments to vendors as permissible in the offer document.	
	Total	70.55			

**Chartered Accountant certificate from /s Sagar and Associates, Chartered Accountants dated February 07,2024*

TR

^Section from the offer document related to GCP:

"Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ 566.24 million (net of the expenses in relation to the Offer) towards general corporate purposes, subject to such utilisation 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 utilise 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 utilise 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 utilisation 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 utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal".

TR