

CIN No. : L18101PB1996PLC017639

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Kaytex Fabrics Ltd.

Specialists in : SUITINGS, SHIRTINGS

Sales Office :

After Suncity Turn, Main Bataia Road,
Amritsar-143 001

Ref. No.

Dated

Date: November 14, 2025

To,
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051

Symbol: KAYTEX

Sub.: Monitoring Agency Report for the quarter and half year ended on September 30, 2025.

Dear Sir / Ma'am,

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Regulation 41(4) of SEBI (Issue of capital and Disclosure Requirements) Regulation, 2018, please find enclosed herewith Monitoring Agency Report issued by Infomerics Valuation and Rating Limited, Monitoring Agency for the quarter and half year ended on September 30, 2025 in respect of utilization of proceeds of Initial Public offer of the company.

You are requested to take the above information on your records.

FOR KAYTEX FABRICS LIMITED

AMIT KANDHARI
WHOLE-TIME DIRECTOR & CFO
DIN: 01412828

For Kaytex Fabrics Limited


Director

Monitoring Agency Report for kaytex Fabrics Limited for the quarter ended September 30, 2025

Monitoring Agency Report

November 14, 2025

To,
Kaytex Fabrics Limited
Batala Road, Post Office Khanna Nagar,
Amritsar – 143 001, Punjab, India

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2025 - in relation to the Initial Public Offer (“IPO”) of Kaytex Fabrics Limited (“The Company”)

We write in our capacity of Monitoring Agency for the Initial Public Offering (IPO) for the amount aggregating to Rs.57.58 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 September 30, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 12, 2025.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of Infomerics Valuation and Rating Limited

OM PARKASH JAIN  Digitally signed by OM PARKASH JAIN
Date: 2025.11.14 21:14:15 +05'30'

Om Parkash Jain

(Director - Ratings)

Opjain@infomerics.com

Report of the Monitoring Agency

Name of the Issuer: Kaytex Fabrics Limited

For quarter ended: September 30, 2025

Name of the Monitoring Agency: Infomerics Valuation and Rating Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Nil

Indicate range of percentage deviation from the amount of issue proceeds earmarked for objects. For example, up to 10%, 10 – 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

* Range of Deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

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 Monitoring Agency (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 declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.

We further declare that this report provides true and fair view of the utilization of issue proceeds.

OM PARKASH
JAIN

Digitally signed by OM
PARKASH JAIN
Date: 2025.11.14 21:14:38
+05'30'

Signature:

Name of the Authorized Person/Signing Authority:

Designation of Authorized person/Signing Authority:

Seal of the Monitoring Agency:

Date: November 14, 2025

Om Parkash Jain
Director - Ratings

1) Issuer Details:

Name of the issuer: Kaytex Fabrics Limited

Names of the promoters of the issuer: Shri Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Preeti Kandhari

Industry/sector to which it belongs: The Company is engaged in the business of Textiles

2) Issue Details:

Issue Period: July 29, 2025 – July 31, 2025

Type of issue (public/rights): Initial Public Offering

Type of specified securities: Equity Shares

Grading: NA

Issue size (Rs in Crores): Fresh Issuance of Rs. 57.58 crores (Note No. 1)

Note 1

Particulars	Amount as per the Prospectus (Rs. In Crores)
Total proceeds received from IPO	57.58
Less: Details of expenses incurred related to IPO issue	8.23
Net Proceeds available for utilisation	49.35*

*Infomerics Ratings shall be monitoring the Net proceeds.

The company had offered 31,99,200 Equity Shares under the fresh issue, at Rs. 180.00 per share aggregating to ₹ 57.58 crore. The issue was fully Subscribed, and the company has allotted same number of Equity Shares to the applicants.

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 Monitoring Agency	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes, the utilization has been made as per Offer Document.	Chartered Accountant certificate [^] , Prospectus, Bank Statements	The Gross proceeds of the issue are Rs.57.58 crore out of which Rs. 15.77 crore was spent as on September 30, 2025.	No comments
Whether Shareholder approval is obtained in case of material deviations from expenditures disclosed in Offer Document?	There are no deviations from the expenditures disclosed in the Offer Document. Hence no approval is required	Not applicable	Not applicable	No Comments Required
Whether means of finance for disclosed objects of the Issue has changed?	There is no change in the means of	Not applicable	No	No Comments Required

	finance for disclosed objects				
Any major deviation observed over the earlier monitoring agency reports?	Not applicable	Nil	Since this is the first report after the issue of IPO, hence the same is not applicable	No Comments Required	
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes	Listing approval from NSE	No Comments	No Comments Required	
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Not Applicable	Not applicable	Not Applicable	No Comments Required	
Any favourable events improving object(s) viability	There are no events affecting the viability of these objects.	Not applicable	Nil	No Comments Required	
Any unfavourable events affecting object(s) viability	There are no events affecting the viability of these objects.	Not applicable	Nil	No Comments Required	

Any other relevant information that may materially affect the decision making of the investors	There is no relevant information that may affect the decision making of the investor	Not applicable	Nil	No Comments Required
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The above details are verified by S U G R & Co. Chartered Accountants statutory auditor of the company (M.NO: 084210) vide its CA certificate dated November 13, 2025.

Please note that, the company has transferred the issue proceeds from public account (Kotak Mahindra Bank) to Current account (CA) accounts (Maintained with HDFC Bank) for utilization of proceeds rather than utilising the issue proceeds directly from monitoring account. Accordingly, there are numerous other debits and credits in the said Current accounts resulting in comingling of funds, and we have relied on CA certificate to ascertain utilisation of funds apart from examination of documents.

Auditor's remark No deviations from expenditure disclosed in the Offer document.

^ Material Deviation would mean

a) deviation in the objects or purposes for which the funds have been raised

b) deviation in the amount of funds actually utilised by more than 10% of the amount projected in the offer document

4) Details of object(s) to be monitored:

(i) Cost of object(s)-

Sl. No	Item Head	Source of information / certifications considered by Monitoring Agency	Original cost (as per the Offer	Revised Cost in Rs. Crore	Comments of Monitoring Agency	Comments of Board of Directors
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		for preparation of report	Document) in Rs. Crore			Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding capital expenditure for construction of additional warehouse facility in Amritsar	Chartered Accountant certificate*, Final Prospectus, Chartered Engineer Certificate	2.55	Not Applicable	N.A	NA	NA	NA
2	Funding capital expenditure for construction of dedicated sales office in Amritsar	Chartered Accountant certificate*, Final Prospectus, Chartered Engineer Certificate	3.73	Not Applicable		NA	NA	NA
3	Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and	Chartered Accountant certificate*, Final Prospectus, Proforma Invoice	5.01	Not Applicable		NA	NA	NA

	processing unit in Amritsar.								
4	Funding our incremental working capital requirements	Chartered Accountant certificate*, Final Prospectus	30.00	Not Applicable			NA	NA	NA
5	General Corporate Purpose	Chartered Accountant certificate*, Final Prospectus	8.06	Not Applicable			NA	NA	NA
	TOTAL		49.35	-					

Certificate dated November 13, 2025, issued by M/s S G U R, Chartered Accountants (Membership No : 084210), Statutory auditor of the company.

(ii) Progress in the object(s)-

(Give Item by Item Description for all the Objects Stated in Offer Document separately in the following format)

Sl. 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 raised till September 30, 2025 (Rs. crore)	Amount utilized			Unutilised amount in Rs. crore	Comments of Monitoring Agency	Comments of Board of Directors	
					As at Beginning of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1	Funding capital expenditure for construction of additional warehouse facility in Amritsar	Chartered Accountant certificate*, Final Prospectus, Chartered Engineer Certificate	2.55		-	-	-	2.55	The company has not utilised the proceeds towards this object during quarter ended	No Comments Required	-

[illegible]

4	Funding our incremental working capital requirement	Chartered Accountant certificate*, Final Prospectus	30.00	-	13.37*	13.37	16.63	The company has utilised the Fund towards Purchases, salaries and other Business Expenses.	
5	General Corporate Purpose	Chartered Accountant certificate*, Final Prospectus	8.06	-	2.30	2.30	5.76	The Company has utilised the fund towards payment of Advance Tax and other business expenses.	No Comments Required
TOTAL			49.35	-	15.77	15.77	33.58		

*The Monitoring Agency has reviewed the utilisation of the issue proceeds deployed towards working capital requirements. The verification has been carried out on a sample basis by examining select invoices, payment vouchers, bank statements, and other supporting documents as provided

by the Company. Based on the sample checks performed, nothing has come to our attention that causes us to believe that the amounts utilised towards working capital are not in compliance with the objects of the issue, as approved by the shareholders and disclosed in the offer document. However, the Management is responsible for maintaining complete records and ensuring that the utilisation of funds is accurate, adequate, and in line with the stated purposes.

Brief description of Object(s):

S.no	Name of the object(s)	Brief description of the object(s)
1	Funding capital expenditure for construction of additional warehouse facility in Amritsar	Currently, the company operates two godowns near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab, dedicated to raw material storage, including yarns, chemicals, dyes, inks, and greige fabrics. These facilities are equipped with inventory management systems to ensure materials are organized, easily accessible, and maintained in pristine condition for weaving, processing, and digital printing. Their strategic location near production units streamlines operations, reduces transit times, and enhances efficiency, ensuring timely production and order fulfilment. Additionally, a godown at Gali Murgi Khana, Batala Road, Amritsar, Punjab, serves as a multi-functional facility for fabric storage, corduroy fabric production, and hand embroidery on ready-to-stitch garments. This facility includes shelving for organized fabric storage, specialized machinery for manufacturing durable and aesthetic corduroy fabrics, and a dedicated area for skilled artisans to create intricate hand embroidery on garments.

2	Funding capital expenditure for construction of dedicated sales office in Amritsar	<p>Company plan to establish a sales office in Amritsar, adjacent to the registered and corporate office situated at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab to strengthen our presence in northern India and enhance customer engagement. Amritsar, again a key textile hub, is strategically positioned to serve local buyers, wholesalers, and retailers, particularly in Tier 2 and Tier 3 markets of Northern India. This office will act as a central hub for managing sales, facilitating client interactions, and showcasing the range of fabrics and ready-to-stitch garments. With its proximity to the production and warehouse facilities, the sales office will enable faster response times, better operational coordination, and improved customer service. Equipped with modern infrastructure, dedicated meeting spaces, etc. the facility will streamline sales operations and support our long-term business growth. By investing in this dedicated facility, company aim to expand the market reach, build stronger client relationships, and drive sustained growth in the region.</p>
3	Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar.	<p>The company intends to utilise ₹5.01 Crore from the Net Proceeds for purchase of advanced fabric processing system for the existing printing, dyeing and processing unit in Amritsar in Fiscal 2026. The Board by way of its resolution dated January 15, 2025, has approved the said proposal. Company plan to acquire “MENZEL” Open-Width Continuous Scouring and Bleaching Range with Microprocessor Attachments and Automatic Chemical Dosing System of ₹5.01 Crore from the Net Proceeds.</p>
4	Funding our incremental working capital requirements	<p>Company proposes to utilize ₹30.00 Crore of the Net Proceeds in Fiscal 2026, towards the Company’s incremental working capital requirements due to the increase in production capacity. The balance portion of the incremental working capital requirement shall be met through internal accruals. On the basis of the existing working capital requirements, management estimates and the projected working capital requirements, the Board of Directors, pursuant to their resolution dated July 05, 2025, has approved the projected working capital requirements for Fiscal 2026 and Fiscal 2027.</p>

5	General Corporate Purpose	<p>The Company proposes to deploy the balance Net Proceeds aggregating to ₹8.06 Crore towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds from the Offer, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which the Company proposes to utilize Net Proceeds include, but are not restricted to, the following</p> <p>A) meeting ongoing general corporate expenses, exigencies and contingencies; and</p> <p>B) costs / expenses towards meeting certain business requirements.</p>
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(iii) Deployment of unutilized IPO Proceeds:

Sl. no.	Type of instrument where amount invested*	Amount (in Crores)	Maturity date	Earnings	Return on Investment (ROI %)	Market Value as at the end of quarter Sept 30, 2025**
1	HDFC Bank – Sweep FD	32.72	-	0.20	6.15%	32.92
2	Kotak Mahindra Bank – Public Issue account	0.05	-	-	-	0.05
3	HDFC – Current Account	0.81	-	-	-	0.81

	TOTAL	33.58	-	0.20	-	33.78
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(iv) Delay in implementation of the object(s)-

Object(s) Name	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document	Actual		Reason of delay	Proposed Course of Action
Funding capital expenditure for construction of additional warehouse facility in Amritsar	Upto FY 25-26	Ongoing	No Delay	No Comments	No Comments

Funding capital expenditure for construction of dedicated sales office in Amritsar.	Upto FY 25-26	Ongoing	No Delay	No Comments	No Comments
Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar.	Upto FY 25-26	Ongoing	No Delay	No Comments	No Comments
Funding our incremental working capital requirements	Upto FY 25-26	Ongoing	No Delay	No Comments	No Comments
General corporate purpose	Upto FY 25-26	Ongoing	No Delay	No Comments	No Comments

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

S.No	Item Head	Amount in Rs. Crore	Source of Information/Certifications Considered by the Monitoring agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Advance Tax	2.10	CA certificate, Bank statements	None	None
2	Others (bank Charges, Travel, Repair and Maintenance etc)	0.20			

* The above details are verified by S G U R & Co. Chartered Accountants statutory auditor of the company (M.NO : 084210) vide its CA certificate dated November 13, 2025.

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