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(Please scan the QR code to view the RHP)

## SANATHAN TEXTILES LIMITED

Our Company was incorporated as 'Sanathan Textiles Private Limited', at Kolkata, West Bengal as a private limited company under the Companies Act, 1956 and received a certificate of incorporation issued by the RoC, on October 10, 2005. Thereafter, our Company was converted into a public limited company pursuant to a resolution passed by the shareholders of our Company passed at their meeting on November 12, 2021, and the name of our Company was changed to its present name 'Sanathan Textiles Limited', pursuant to a fresh certificate of incorporation issued by the RoC on November 18, 2021. For details of changes in the name and registered office of our Company, see 'History and Certain Corporate Matters' on page 269 of the Red Herring Prospectus dated December 13, 2024 read with corrigendum to the RHP dated December 17, 2024 ("RHP") filed with the RoC.

Registered Office: SRV No. 187/41/2, Near Surangi Bridge, Surangi, Debra & Nagar Haveli, Shivessa - 596230, India. Corporate Office: D-15, Trade World Building Kamala Mills Compound, Senapati Bapat Marg Lower Panel, Mumbai - 400013, Maharashtra, India  
Contact Person: Souza Judo Patrick, Company Secretary and Compliance Officer: Tel: +91 22 6824 3332/3433/6. E-mail: investors@sanathan.com, Website: https://www.sanathan.com

Corporate Identification Number: U17290DN2005PLC005690

### OUR PROMOTERS: PARESH VRAJLAL DATTANI, AJAY VALLABHDAS DATTANI, ANILKUMAR VRAJIDAS DATTANI, DINESH VRAJIDAS DATTANI, NIMBUS TRUST, D&G FAMILY TRUST, A&J FAMILY TRUST AND P&B FAMILY TRUST

INITIAL PUBLIC OFFER OF UP TO 10,000,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (EQUITY SHARES) OF SANATHAN TEXTILES LIMITED (COMPANY OR 'ISSUER') FOR CASH AT A PRICE OF ₹ 10 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 1 PER EQUITY SHARE) (OFFER PRICE) AGGREGATING UP TO ₹ 5,500.00 MILLION (OFFER) COMPRISING A FRESH ISSUE OF UP TO 4,000.00 MILLION BY OUR COMPANY (FRESH ISSUE) AND AN OFFER FOR SALE OF UP TO 6,000.00 MILLION BY THE SELLING SHAREHOLDERS (OFFER FOR SALE) COMPRISING UP TO 4,000.00 MILLION BY PARESH VRAJLAL DATTANI, UP TO 1,000.00 MILLION BY AJAY VALLABHDAS DATTANI, UP TO 1,000.00 MILLION BY ANILKUMAR VRAJIDAS DATTANI, UP TO 1,000.00 MILLION BY DINESH VRAJIDAS DATTANI (THE 'PROMOTER SELLING SHAREHOLDERS'), UP TO 1,000.00 MILLION BY VAJUBHAI INVESTMENTS PRIVATE LIMITED, UP TO 1,000.00 MILLION BY VALLABHDAS DATTANI HUF, UP TO 1,000.00 MILLION BY ANILKUMAR VRAJIDAS DATTANI HUF, UP TO 1,000.00 MILLION BY SONALI AJAYKUMAR DATTANI, UP TO 1,000.00 MILLION BY DATTANI DINESHKUMAR VRAJIDAS HUF AND UP TO 1,000.00 MILLION BY BEENA PARESH DATTANI, UP TO 1,000.00 MILLION BY PARESH VRAJLAL DATTANI, UP TO 1,000.00 MILLION BY ANILKUMAR VRAJIDAS DATTANI HUF, UP TO 1,000.00 MILLION BY VAJUBHAI INVESTMENTS PRIVATE LIMITED, UP TO 1,000.00 MILLION BY VALLABHDAS DATTANI HUF, UP TO 1,000.00 MILLION BY ANILKUMAR VRAJIDAS DATTANI HUF, UP TO 1,000.00 MILLION BY SONALI AJAYKUMAR DATTANI, UP TO 1,000.00 MILLION BY DATTANI DINESHKUMAR VRAJIDAS HUF AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED AS 'SELLING SHAREHOLDERS' AND SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE 'OFFER FOR SALE').

NAME OF THE SELLING SHAREHOLDER	TYPE	DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARES* (IN ₹)
Pareesh Vrajlal Dattani	Promoter Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 309.37 million	3.51
Ajay Vallabhdas Dattani	Promoter Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 346.75 million	3.40
Anilkumar Vrajdattani	Promoter Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 352.02 million	Nil
Dinesh Vrajdattani	Promoter Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 371.88 million	Nil
Vajubhai Investments Private Limited	Promoter Group Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2.59 million	5.56
Vallabhdas Dattani HUF	Promoter Group Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2.59 million	5.56
Sonali Ajaykumar Dattani	Promoter Group Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 22.50 million	30.36
Dattani Dineshkumar Vrajdattani HUF	Promoter Group Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2.59 million	5.56
Beena Pareesh Dattani	Promoter Group Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 35.00 million	Nil
Anilkumar Vrajdattani HUF	Promoter Group Selling Shareholder	Up to 1,000.00 Equity Shares of face value of ₹ 10 each aggregating up to ₹ 17.50 million	Nil

\* Calculated on a fully diluted basis. As certified by the Independent Chartered Accountant, Jain Tripathi & Co, pursuant to a certificate dated December 17, 2024. For a complete list of all Selling Shareholders and their average cost of acquisition per Equity Share, see 'Summary of the Offer Document - Average Cost of Acquisition of our Promoters and the Selling Shareholders' on page 31 of the RHP.

Our company is engaged in the business of manufacturing textile yarn, which is divided into three separate business verticals, consisting of Polyester yarn products; Cotton yarn products; and Yarns for technical textiles and industrial uses.

The Offer is being made through the Book Building Process 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: ₹305 TO ₹321 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH  
THE FLOOR PRICE AND THE CAP PRICE ARE 30.50 TIMES AND 32.10 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.  
BIDS CAN BE MADE FOR A MINIMUM OF 46 EQUITY SHARES AND IN MULTIPLES OF 46 EQUITY SHARES THEREAFTER  
THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2024 AT THE UPPER END OF THE PRICE BAND IS 17.26 TIMES  
AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PE RATIO OF 29.50 TIMES.  
WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FULL FINANCIAL YEARS IS 15.68%

In accordance with the recommendation of Committee of Independent Directors of our Company, pursuant to their resolution dated December 13, 2024, the above provided price band is justified based on quantitative factors/KPIs disclosed in the "Basis for the Offer Price" section on page 154 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the "Basis for the Offer Price" section on page 154 of the RHP and provided below in this advertisement.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

#### RISKS TO INVESTORS:

For details, refer to "Risk Factors" on page 34 of the RHP.

- No long term raw material supply agreements.** We do not have long term agreements for supply of our raw materials. If we are unable to procure raw materials of the required quality and quantity, at competitive prices, our business, results of operations and financial condition may be adversely affected. Majority of our raw materials are sourced from few key suppliers. Discontinuation of operations of such suppliers may adversely affect our ability to source raw materials at a competitive price. For quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022, our total cost of material consumed was ₹ 5,476.21 million, ₹ 21,317.15 million, ₹ 23,349.10 million and ₹ 20,632.70 million representing 75.95%, 76.18%, 74.46% and 75.79% respectively, of our total expenses.
- Risk regarding inability to gauge demand and maintain optimal inventory.** If we are unable to gauge the demand of our products accurately and are unable to maintain an optimal level of inventory, our business, results of operations and financial condition may be adversely affected. As of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, our inventory as a percentage of our current assets was 42.86%, 44.59%, 50.11% and 51.60%, respectively and our inventory turnover ratio (i.e., cost of goods sold divided by average inventory) during these period was 5.51 times, 5.28 times, 5.69 times and 5.45 times. Our inventory cycle (i.e., inventory turnover days) was 66 days, 69 days, 61 days and 80 days, during quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022, respectively.
- Dependence on distributors.** Our relationship with our distributors is critical to our business. During quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022, 96.55% 94.48%, 93.01% and 93.31%, respectively, of our total revenue from operations was attributable to our distributors. If we are unable to maintain successful relationships with our distributors, our business, results of operations and financial condition may be adversely affected. As on June 30, 2024, we had more than 925 distributors in 7 countries comprising 916 distributors in India, 2 distributors each in Argentina, Canada and Singapore, and 1 distributor each in Germany, Greece and Israel.
- Risk related to high working capital requirement.** Our Company has a high working capital requirement and if our Company is unable to raise sufficient working capital the operations of our Company will be adversely affected. We are in the advanced stages of commissioning a manufacturing facility in Wazirabad, Punjab through our Subsidiary, Sanathan Polycot Private Limited. Once this Subsidiary is operational, then it will also have to arrange for further funding for additional working capital requirement.

Details of our working capital during Fiscals 2024, 2023 and 2022 are set out below:

Particulars	As at and for quarter ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Working capital requirements (i.e., sum of trade receivables and inventory, as reduced by trade payables) (in ₹ million)	1,291.24	942.29 <sup>A</sup>	1,660.27	2,424.87
Details of financing of working capital requirements				
- Cash credit and Packing Facilities (in ₹ million)	-	-	14.96	13.20
- Internal accruals (in ₹ million)	1,291.24	942.29	1,645.31	2,411.67
Working capital days	55 days	49 days	46 days	67 days

<sup>A</sup> Our working capital requirements reduced from ₹ 1,660.27 million to ₹ 942.29 million in Fiscal 2024 primarily due to an increase in our trade payables from ₹ 3,773.16 million in Fiscal 2023 to ₹ 4,369.46 million in Fiscal 2024.

- Reduction in operating revenue and PAT Margin in Fiscal 2024 as compared to previous Fiscal.** Our revenue from operations and our PAT Margin has reduced in Fiscal 2024 as compared to Fiscal 2023. Our revenue from operations decreased by 11.17% from ₹ 33,292.13 million in Fiscal 2023 to ₹ 29,575.04 million in Fiscal 2024 and profit after tax of the Company decreased by 12.37% from ₹ 1,527.41 million in Fiscal 2023 to ₹ 1,338.48 million in Fiscal 2024. If we are unable to maintain or increase our revenue from operations, our profit and our profit margin, then it may have an adverse effect on our business operations and our growth strategies.

Set out below is our revenue from operations, our profit after tax and our PAT Margin during quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022:

Particulars	Quarter ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations (in ₹ million)	7,811.28	29,575.04	33,292.13	31,853.20
Profit after tax (in ₹ million)	500.73	1,338.48	1,527.41	3,554.42
PAT Margin <sup>(1)</sup>	6.41%	4.53%	4.59%	11.16%

<sup>(1)</sup> PAT Margin = Profit after tax / Revenue from operations.

- Risk related to dependence on limited geographies.** During quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022, we derived 62.51%, 65.10%, 60.88% and 55.63% our revenue

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from operations from domestic sales from our customers in Gujarat, Maharashtra and Punjab, which exposes us to risks specific to these Indian geographies and market.

- 7. Risk relating to dependency on import of raw material and forex rate fluctuation. We import a large portion of our raw materials from international suppliers and any adverse foreign exchange fluctuation could increase our cost of operations and affect our profitability. A large portion of our raw materials is imported from international suppliers. During quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022, our total raw material consumed which was imported was ₹ 2,100.61 million, ₹ 8,699.89 million, ₹ 8,697.32 million and ₹ 4,445.89 million representing 39.95%, 41.94%, 46.93% and 27.11%, respectively, of our total raw material consumed. Further, any restriction or embargo on the sourcing of raw materials from certain countries could adversely affect our business and financial condition.
8. Certain ratios may not be indicative of market price of Equity shares on listing. The Offer Price, market capitalization to total income multiple, price to earnings ratio and enterprise value to EBITDA ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing
9. Risk in relation to upcoming Punjab Manufacturing Facility being set up by our wholly owned subsidiary Sanathan Polycot Private Limited. A portion of the Net Proceeds from the IPO are proposed to be utilized for repayment and, or, pre-payment of a portion, of certain outstanding borrowings availed by our subsidiary which will not result in creation of any tangible assets. This Subsidiary has incurred losses incurred losses of ₹ 22.31 million, ₹ 75.70 million, ₹ 34.45 million and ₹ 0.95 million during quarter ended June 30, 2024, Fiscals 2024, 2023 and 2022, respectively. The Punjab Manufacturing Facility, being set up by our Subsidiary is in the advanced stages of commissioning and our business and its growth will depend on this facility. Any loss of or shutdown of operations of this facility, once operational, could adversely affect our business or results of operations.
10. The weighted average cost of acquisition of all shares transacted by our Promoters, the Promoter Group, the Selling Shareholders or Shareholder(s) with rights to nominate Director(s) or other special rights, in the last eighteen months, one year and three years preceding the date of the Red Herring Prospectus

Table with 4 columns: Period, Weighted average cost of acquisition (in ₹)\*, Upper end of the price band (₹321) is 'X' times the weighted average cost of acquisition\*\*, Range of acquisition price: Lowest price - Highest price (in ₹)

Note: There has been no acquisition of shares transacted by our Promoters, the Promoter Group, the Selling Shareholders or Shareholders with rights to nominate Director(s) or other special rights, in the last eighteen months, one year and three years preceding the date of this Red Herring Prospectus.

BID/OFFER PERIOD

\*UPI mandate end time and date shall be at 5pm, on Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below.

Submission of Bids (other than Bids from Anchor Investors):

Table with 2 columns: Bid/Offer Period (except the Bid/Offer Closing Date) and Bid/Offer Closing Date\*

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE")

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least 3 additional Working Days after such revision in the Price Band. The Bid/Issue Period not exceeding 10 Working Days. In case 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/Issue Period for a minimum of 1 Working Day, subject to the Bid/Issue 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 press release, and also by indicating the change on the website of the BRLMs at the terminals of the Anchor Investors and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable. The Offer is being made in terms of Regulation 3(1)(b) of the Securities Contracts (Regulation) Rules, 1957 (SCRR), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations, through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (QIBs) (such portion referred to as QIB Portion), provided that our Company, in consultation with the BRLMs may allocate up to 40% of the Net QIB Portion, in a discretionary basis in accordance with the SEBI ICDR Regulations (Anchor Investor Portion), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid bids being received from domestic Mutual Funds at or above the price of which allocation is made to Anchor Investors (Anchor Investor Allocation Portion). In case of the Net QIB Portion, in the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund category may be allocated to other sub-categories of Non-Institutional Investors and not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 2.0 million and up to ₹ 1.0 million, and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to other sub-categories of Non-Institutional Investors and not more than 5% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily use the Application Supported by Blocked Amount (ASBA) process providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders, if applicable, in the SCRRs and the SEBI ICDR Regulations. Further, details of the Depositories, as applicable, to be used, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the offering through the ASBA process. For further details, see 'Offer Procedure' on page 498 of the RHP. Bidders/Applicants should ensure that DP ID, PAN and Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available for UPI Bidders bidding through the UPI Mechanism 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 ensure that the DP ID, PAN, 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 authorized 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 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 Bidder/Applicant's own risk.

ASBA\* Simple, Safe, Smart, What you Apply!!

UPI Now available in ASBA for Retail Individual Investors and Non-Institutional Investors and Non-Institutional Investors 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 an in compliance with CDBT notification dated February 13, 2020 and press release dated September 17, 2021, CDBT Circular No. 3 of 2023 dated March 28, 2023.

Logos and contact information for DAM CAPITAL, ICICI Securities, and KFIN INTECH. Includes addresses, phone numbers, and websites for each entity.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 34 of the RHP before applying for the Offer. A copy of the RHP will be made available on the website of SEBI at www.sebi.gov.in and is available on the website of the Registrar to the Offer, the BRLMs, and the websites of the Stock Exchanges. The RHP is available on the website of the Company, SANATHAN TEXTILES LIMITED at https://www.sanathan.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE Limited at www.nseindia.com. AVAILABILITY OF THE ABridged PROSPECTUS: A copy of the Abridged Prospectus shall be available on the website of the Company, the BRLMs and the Registrar to the Offer at https://www.sanathan.com, www.damcapital.in, www.vicissitudes.com and www.kfinintech.com, respectively. AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Offices of our Company, SANATHAN TEXTILES LIMITED. Tel: +91 22 8668 3312/3234/36; BRLMs: DAM Capital Advisors Limited, Tel: +91 22 4020 2500 and ICICI Securities Limited, Tel: +91 22 8607 7100; or the Syndicate Member, Sharekhan Limited, Tel: +91 22 875 2200; or at selected locations of Sub-Syndicate Members (as given below). Registered RTA Locations and Designated CDP Locations for participating in the Offer: Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and all of the designated Branches of SCSBs, in the list of which is available on the websites of the Stock Exchanges and SEBI. SUB-SYNDICATE MEMBERS: Standard Bank Shares & Stock Brokers Limited, Axis Bank Shares & Stock Brokers Limited, Centium Wealth Management Ltd., Creditas India and all of the designated Branches of SCSBs, (International) Stock Brokers Ltd., Eureka Stock & Share Broking Services Ltd., Fininvest Technology Private Limited, HDFC Bank Limited, IDBI Capital

\*As certified by M/s. Jain Tripathi & Co., by way of their certificate dated December 17, 2024.

\*\*Information to be included in the Prospectus.

11. Risk relating to various in utilization of Net Proceeds. Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.

12. Risk relating to inability to implement growth strategies. We may not be able to successfully manage the growth of our business if we are not able to effectively implement our strategies. In particular, the proposed increase in our manufacturing capacities may not be successful or we may not have demand for our products which may be commensurate to the proposed increase of our manufacturing capacities.

13. The BRLMs associated with the Offer have handled 64 public issues in the past three financial years, out of which 20 issues have closed below the offer price on the listing date

Table with 3 columns: Name of BRLMs, Total Public Issues, Issues closed below the Offer Price on listing date

\*Issues handled where there were no common BRLMs

14. Risk in relation to significant indebtedness. As of September 30, 2024, our total sanctioned and outstanding indebtedness was ₹ 27,215.86 million and ₹ 13,930.13 million, respectively. The level of our indebtedness could have several important consequences. A significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures. Defaults of payment and other obligations under our financing arrangements may result in acceleration of our repayment obligations and enforcement of related security interests over our assets. Substantial portion of our long term indebtedness is subject to floating rates of interest and fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings.

15. No long term agreements with customer. We do not have long-term agreements with a majority of our customers. Any changes or cancellations to our orders or our inability to forecast demand for our products may adversely affect our business, results of operations and financial condition.

16. Our Company will not receive any proceeds from the Offer for Sale. The Net Proceeds from the Offer for Sale comprises 27.27% of the total Offer size, it will be transferred to each of the Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale. This will not result in any creation of value for us in respect of your investment in this Offer.

BID/OFFER OPENS TODAY

BID/OFFER CLOSES ON MONDAY, DECEMBER 23, 2024

Table with 2 columns: Modification/Revision/cancellation of Bids and Bid/Offer Closing Date

\*UPI mandate end time and date shall be at 05:00 p.m. on Bid/Offer Closing Date.

\*QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Table with 3 columns: Bid/Offer Closing Date, Event, Indicative Date

INVESTORS MUST ENSURE THAT THEIR PAN IS LINKED WITH AADHAR AND ARE IN COMPLIANCE WITH THE NOTIFICATION ISSUED BY CENTRAL BOARD OF DIRECT TAXES NOTIFICATION DATED 10/03/2020

CONTRACTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are required to see "History and Certain Corporate Matters" on page 269 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Accounts and Documents for Inspection" on page 488 of the RHP.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 500 million divided into 50,00,000 Equity Shares of face value of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 179.43 million divided into 17,943,000 Equity Shares of face value of ₹ 10 each. For details of the capital structure of the Company, see "Capital Structure" beginning on page 105 of the RHP.

LISTING: The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received "in-principle" approvals from BSE, NSE and listing of the Equity Shares pursuant to the respective listing dates on September 19, 2024. For the purposes of the Offer, NSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the ROC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "Material Accounts and Documents for Inspection" on page 515 of the RHP.

DISCLAIMER: CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the Offer documents and this does not constitute approval of either the Offer or the specific securities listed in the Offer Document. The investors are advised to refer to page 476 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER: CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited shall not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER: CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE shall 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 476 of the RHP for the full text of the disclaimer clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor has the SEBI conducted any investigation into the substance of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 34 of the RHP.

Markets & Securities Ltd., IFCI Securities Limited, JF Financial Services Ltd., Jotapurji Fiscal Services Pvt. Ltd., Keynote Capital Limited, KJM Capital Market Services Pvt. Ltd., KPMG India, KPMG India Chartered Accountants, KPMG India Tax Services Pvt. Ltd., Investa Growth & Securities Ltd., Kotak Oweal Financial Services Limited, Kotak Oweal Securities Ltd., Novama Wealth Management Limited, Prabhudas Lilladher Pvt Limited, Pwain Rastal Share and Stock Brokers Ltd., RR Equity Brokers Pvt. Limited, SMC Global Securities Limited, Systemax Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd., Trade Bulls Securities (P) Ltd., Way2wealth Brokers Pvt. Ltd. and Yes Securities (India) Ltd.

PUBLIC OFFER ACCOUNT BANK: ICICI Bank Limited; SPONSOR BANKS: HDFC Bank Limited and ICICI Bank Limited. UPI: UPI Bidders can also bid through UPI Mechanism. All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For SANATHAN TEXTILES LIMITED On behalf of the Board of Directors. Place: Dadar & Nagar Haveli, Silvasa Date: December 18, 2024. Douzou Jude Patrick, Company Secretary & Compliance Officer.

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