



TM

This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of equity shares on the main board of the Stock Exchanges in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

SANATHAN TEXTILES LIMITED



(Please scan the QR code to view the RHP)

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 in 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 ("RHP") filed with the RoC.

Corporate Identification Number: U17299DN2005PLC005690

Registered Office: SRV NO. 187/4/1/2, Near Surangi Bridge, Surangi, Dadra & Nagar Haveli, Silvassa - 396230, India. Corporate Office: D-15, Trade World Building Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai - 400013, Maharashtra, India
Contact Person: Dsouza Jude Patrick, Company Secretary and Compliance Officer, Tel: + 91 22 6634 3312/34/5/6; E-mail: investors@sanathan.com; Website: https://www.sanathan.com

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 [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (EQUITY SHARES) OF SANATHAN TEXTILES LIMITED ('COMPANY' OR 'ISSUER') FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (OFFER PRICE) AGGREGATING UP TO ₹ 5,500.00 MILLION (OFFER) COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,000.00 MILLION BY OUR COMPANY (FRESH ISSUE) AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,500.00 MILLION BY THE SELLING SHAREHOLDERS (OFFER FOR SALE) COMPRISING UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 309.37 MILLION BY PARESH VRAJLAL DATTANI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 346.75 MILLION BY AJAY VALLABHDAS DATTANI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 355.62 MILLION BY ANILKUMAR VRAJIDAS DATTANI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 371.88 MILLION BY DINESH VRAJIDAS DATTANI (THE 'PROMOTER SELLING SHAREHOLDERS'), UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2.50 MILLION BY VAJUBHAI INVESTMENTS PRIVATE LIMITED, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2.50 MILLION BY VALLABHDAS DATTANI HUF, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 22.50 MILLION BY SONALI AJAYKUMAR DATTANI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2.50 MILLION BY DATTANI DINESHKUMAR VRAJIDAS HUF AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 35.00 MILLION BY BEENA PARESH DATTANI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 17.50 MILLION BY ANILKUMAR VRAJIDAS DATTANI HUF, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 30.00 MILLION BY PARESH KUMAR V DATTANI HUF, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1.25 MILLION BY JAYSHREE ANILKUMAR DATTANI, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2.50 MILLION BY VALLABHDAS DATTANI AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 0.13 MILLION BY AJAY KUMAR V DATTANI HUF (THE 'PROMOTER GROUP SELLING SHAREHOLDERS' 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').

DETAILS OF THE OFFER FOR SALE BY THE SELLING SHAREHOLDERS			
NAME OF THE SELLING SHAREHOLDER	TYPE	AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARES* (IN ₹)
Pareesh Vrajlal Dattani	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 309.37 million	3.51
Ajay Vallabhdas Dattani	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 346.75 million	3.40
Anilkumar Vrajidas Dattani	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 355.62 million	3.04
Dinesh Vrajidas Dattani	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 371.88 million	4.05
Vajubhai Investments Private Limited	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2.50 million	5.56
Vallabhdas Dattani HUF	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2.50 million	5.56
Sonali Ajaykumar Dattani	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 22.50 million	30.36
Dattani Dineshkumar Vrajidas HUF	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 2.50 million	5.56
Beena Pareesh Dattani	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 35.00 million	1.11
Anilkumar Vrajidas Dattani HUF	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 17.50 million	29.71

*Calculated on a fully diluted basis. As certified by the Independent Chartered Accountant, Jain Tripathi & Co, pursuant to a certificate dated December 13, 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 [^]	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

Continued on next page...

...continued from previous page.

[^]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.

5. **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 ⁽¹⁾	6.41%	4.53%	4.59%	11.16%

PAT Margin = Profit after tax / Revenue from operations.

6. **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 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 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

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 ₹)
Last 3 Years, 18 months, and 1 Year	Nil	N.A.	N.A.

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.

* As certified by M/s. Jain Tripathi & Co., by way of their certificate dated December 13, 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

Name of BRLMs	Total Public Issues	Issues closed below the Offer Price on listing date
DAM Capital Advisors Limited*	9	5
ICICI Securities Limited*	48	13
Common issue handled by the above BRLMs	7	2
Total	64	20

*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 or in respect of your investment in our Company.

BID/OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON WEDNESDAY, DECEMBER 18, 2024*

BID/OFFER OPENS ON* THURSDAY, DECEMBER 19, 2024

BID/OFFER CLOSES ON^ MONDAY, DECEMBER 23, 2024

* Our Company, in consultation with the BRLMs, may consider participation by the Anchor Investors in accordance with the SEBI/ICDR Regulations. The Anchor Investor Bidding Date shall be 1 Working Day prior to the Bid/Offer Opening Date.

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

Continued on next page.

...continued from previous page.

An indicative timetable in respect of the Offer is set out below:
Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time ("IST"))
Bid/ Offer Closing Date*	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) - For RIBs	Only between 10:00 a.m. and up to 5:00 p.m. IST
Submission of electronic applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10:00 a.m. and up to 4:00 p.m. IST
Submission of electronic applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10:00 a.m. and up to 3:00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10:00 a.m. and up to 1:00 p.m. IST
Submission of physical applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and NIIIs where Bid Amount is more than ₹500,000)	Only between 10:00 a.m. and up to 12:00 p.m. IST

Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories*	Only between 10:00 a.m. on the Bid/Offer Opening Date and up to 4:00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10:00 a.m. on the Bid/Offer Opening Date and up to 5:00 p.m. IST on 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.

Post Offer Schedule:

Event	Indicative Date
Bid/ Offer Closing Date	Monday, December 23, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Tuesday, December 24, 2024
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about Thursday, December 26, 2024
Credit of Equity Shares to demat accounts of Allottees	On or about Thursday, December 26, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday, December 27, 2024

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, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases 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/Issue 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 and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(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 60% of the QIB Portion to Anchor Investors on 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 at which allocation is made to Anchor Investors (Anchor Investor Allocation Price), in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be 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 QIB Bidders (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 Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less 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 ₹ 0.20 million and up to ₹ 1.00 million; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not less than 35% 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 which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank(s) under the UPI Mechanism, as applicable, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer 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 the 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 note that on the basis of the PAN, DP ID, 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 as 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 Bidders/Applicants' sole risk.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, September 17, 2021 and March 28, 2023 and any subsequent press releases in this regard.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested 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 Contracts and Documents for Inspection' on page 488 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

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 ₹ 900.00 million divided into 90,000,000 Equity Shares of face value of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 719.43 million divided into 71,943,000 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.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories of the Memorandum of Association of the Company were Paresch Vrajaj Dattani, Ajay Vallabhdas Dattani, Anilkumar Vrajdas Dattani, Dinesh Vrajdas Dattani, Nimbus Trust, D&G Family Trust, A&J Family Trust and P&B Family Trust. For details of the share capital history and capital structure of our 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 and NSE for listing of the Equity Shares pursuant to their respective letters dated 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 Contracts and Documents for Inspection' on page 531 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 specified securities stated 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 should 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 page 478 of 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 should 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 478 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 does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to 'Risk Factors' on page 34 of the RHP.

ASBA* | Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA. **Mandatory in public issues. No cheque will be accepted.**



UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual 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 are in compliance with CDBT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, CDBT Circular No. 3 of 2023 dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Investors in the Retail Category; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section 'Offer Procedure' on page 498 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedFpi=yes&ntmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?do=RecognisedFpi=yes&ntmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited & ICICI Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

BOOK RUNNING LEAD MANAGERS



DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India
Tel: +91 22 4202 2500. E-mail: Sanathan.ipo@damcapital.in
Website: www.damcapital.in
Investor Grievance E-mail: complaint@damcapital.in
Contact person: Arpi Chheda
SEBI registration number: MB/INM000011336



ICICI Securities Limited
ICICI Ventures House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025, Maharashtra, India
Tel: +91 22 6807 7100. E-mail: sanathan.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Contact person: Gaurav Mittal / Abhijit Dwan
SEBI registration number: INM000011179

REGISTRAR TO THE OFFER



KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Selenium, Tower B, Plot No. 31 and 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India
Tel: +91 40 6716 2222; E-mail: stl.ipo@kfintech.com
Investor Grievance E-mail: enward.nis@kfintech.com
Website: www.kfintech.com; Contact person: M. Murali Krishna
SEBI registration number: INR000002021

COMPANY SECRETARY AND COMPLIANCE OFFICER

Dsouza Jude Patrick
SANATHAN TEXTILES LIMITED
D-15, Trade World Building
Kamala Mills Compound, Senapati Bapat Marg
Lower Parel, Mumbai 400013 Maharashtra
Telephone: +91 22 6634 3312; E-mail: investors@sanathan.com
Website: <https://www.sanathan.com>
Investors may contact our Company Secretary and Compliance Officer, or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

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 in 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 websites of the BRLMs, DAM Capital Advisors Limited at www.damcapital.in and ICICI Securities Limited at www.icicisecurities.com, 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.icicisecurities.com and www.kfintech.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, **SANATHAN TEXTILES LIMITED:** Tel: +91 22 6634 3312/34/5/6; **BRLMs:** DAM Capital Advisors Limited, Tel: +91 22 4202 2500 and ICICI Securities Limited, Tel: +91 22 6807 7100 and **Syndicate Member:** Sharekhan Limited, Tel: +91 22 6750 2000 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated 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 www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Anand Rathi Share & Stock Brokers Limited, Axis Capital Limited, Centrum Broking Limited, Centrum Wealth Management Ltd., Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd., Eureka Stock & Share Broking Services Ltd., Finwizard Technology Private Limited, HDFC SECURITIES Limited, IDBI Capital

Markets & Securities Ltd., IFL Securities Limited, J M Financial Services Ltd., Jobanputra Fiscal Services Pvt. Ltd., Keynote Capitals Limited, KJMC Capital Market Services Ltd., Kotak Securities Limited, LKP Securities Limited, Venture Growth & Securities Ltd., Motilal Oswal Financial Services Limited, Motilal Oswal Securities Ltd., Nuvama Wealth Management Limited, Prabhudas Lilladher Pvt Limited, Pravin Ratilal Share and Stock Brokers Ltd., RR Equity Brokers Pvt. Limited, SMC Global Securities Limited, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Ltd., TradeBulls Securities (P) Ltd., Way2wealth brokers Pvt Ltd. and Yes Securities (India) Ltd.

ESCROW COLLECTION BANK AND REFUND BANK: HDFC Bank Limited.

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
Sd/-
Dsouza Jude Patrick
Company Secretary & Compliance Officer

Place: Dadra & Nagar Haveli, Silvassa
Date: December 14, 2024

SANATHAN TEXTILES LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a red herring prospectus dated December 13, 2024 with the RoC. The RHP is made available on the website of the SEBI at www.sebi.gov.in as well as on the website of the BRLMs i.e., DAM Capital Advisors Limited at www.damcapital.in and ICICI Securities Limited at www.icicisecurities.com, the website of the NSE at www.nseindia.com and the website of the BSE at www.bseindia.com and the website of the Company at <https://www.sanathan.com>. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section "Risk Factors" beginning on page 34 of the RHP. Potential investors should not rely on the DRHP for making any investment decision but should only rely on the information included in the RHP filed by the Company with the RoC. The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering of securities in the United States.

CONCEPT

THE BUSINESS DAILY.



FOR DAILY BUSINESS.

financialexpress.com