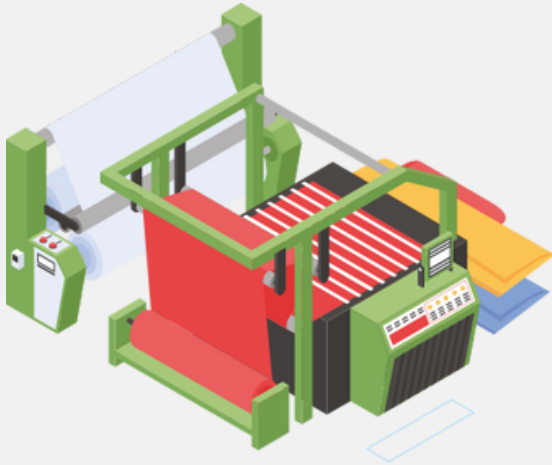




IPO DETAILS

# SANATHAN TEXTILES LIMITED



**ISSUE OPEN**

**19 December, 2024**



**ISSUE CLOSE**

**23 December, 2024**

Min. Lot Size

**46 Shares**

Issue Price Band

**₹305 - ₹321**

**Issue Size**

Fresh Issue:  
1.25 cr Eq shares  
(₹400.00cr)

OFS:  
0.47 cr Eq shares  
(₹150.00cr)

**Face Value**

₹10

**Industry**

Textile & Apparel

**Listing at**

NSE, BSE

RATING

**SUBSCRIBE**

**OPEN ACCOUNT**

**APPLY NOW**

**Marwadi Shares and Finance Limited**

**Corporate Office:** Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

**Registered Office:** X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.  
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

**Disclaimer:** 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

For Facts & Figures



# SANATHAN TEXTILES LIMITED

## Rationale

Considering the FY24 EPS of Rs 15.86 on a post issue basis, the company is going to list at a P/E of 20.24x with a market cap of Rs 2,709 Cr, whereas its peers namely KPR Mill Ltd, Vardhman Textiles Ltd, Indo Count Industries Ltd, Filatex India Ltd and Garware Technical Fibres Ltd are trading at P/E of 46x, 20x, 26x, 26x & 42x respectively.

We assign "Subscribe" rating to this IPO as the company is one of the few companies in India with presence across the polyester, cotton and technical textile sectors. Also, it is available at reasonable valuation as compared to its peers.

## Objectives of the issue

Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the Company;

Investment in subsidiary viz. Sanathan Polycot Private Ltd, for repayment and/ or pre-payment, in full or part, of certain borrowings availed by subsidiary viz. Sanathan Polycot Private Ltd; and

General corporate purposes.

## Company Overview

Sanathan Textiles Ltd is a polyester yarn manufacturer and a global supplier of cotton yarn.

The company's business is divided into three separate yarn business verticals, consisting of: (a) Polyester yarn products contributing 77% to the revenue; (b) Cotton yarn products contributing 19% to the revenue; and (c) Yarns for technical textiles and industrial uses contributing 4% to the revenue.

The company's manufacturing unit is located in Silvassa and has total installed capacity of 223,750 MTPA across the three yarn verticals.

As of September 30, 2024, the company had more than 3,200 active varieties of yarn products and more than 45,000 stock-keeping units (SKUs), and capability to manufacture a diversified product portfolio of more than 14,000 varieties of yarn products and more than 190,000 SKUs that are used in various forms and for varied end uses.

As of June 30, 2024, the company had more than 925 distributors in 7 countries, including India, Argentina, Singapore, Germany, Greece, Canada, and Israel.

## Extensive Clientele in the Textile Sector

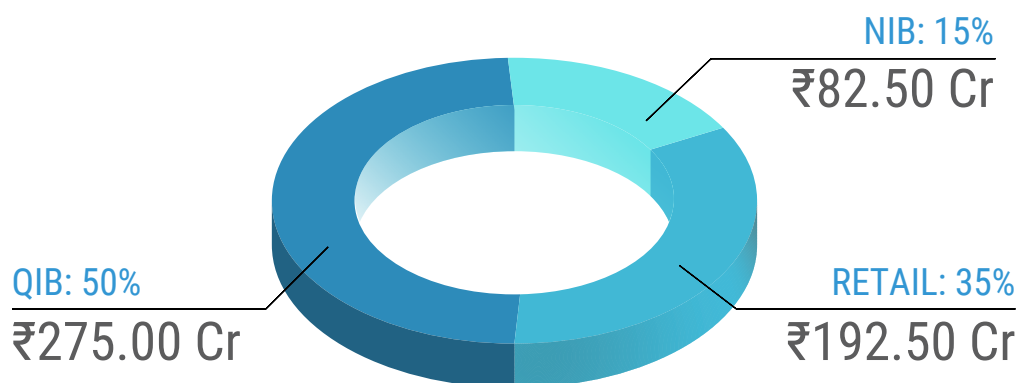
The company's clients comprise several multinational, regional and local companies such as Welspun India Ltd, Valson Industries Ltd, G.M. Fabrics Private Ltd, Premco Global Ltd, Creative Garments Textile Mills Private Ltd, BanswaraSyntexLtd, AYM SyntexLtd, Techno Sportswear Private Ltd, Haren Textiles Private Ltd, Khosla Profil Private Ltd, Tulip Elastics Private Ltd and more.



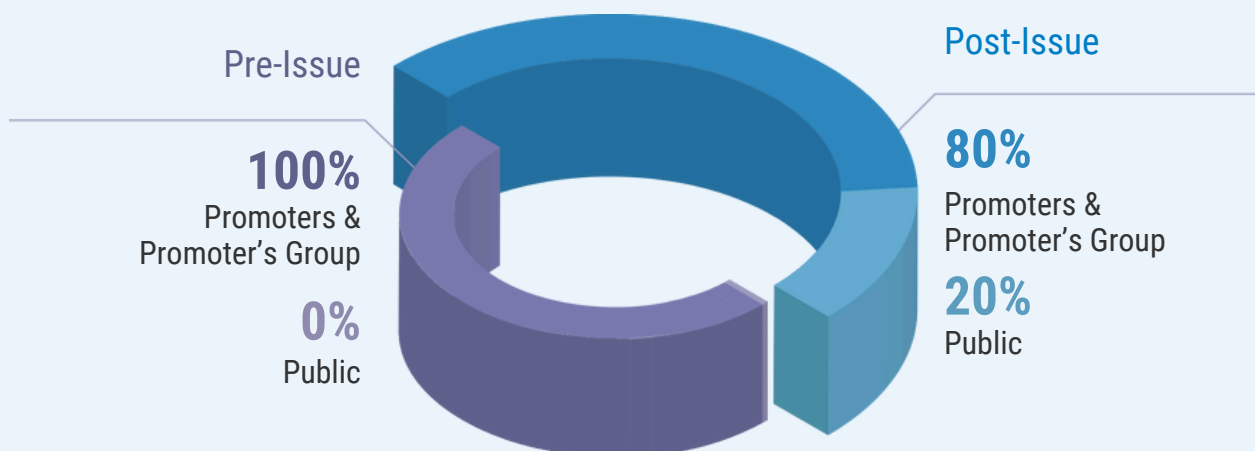
SANATHAN TEXTILES LIMITED

## Issue Details

### Issue Break-Up



### Shareholding Pattern



### Capital Structure (in ₹ Cr.)



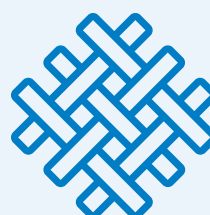
**90.00 Cr**

Authorised Equity  
Share Capital



**71.94 Cr**

Paid-Up Capital  
(Pre-Offer)



**84.40 Cr**

Paid-Up Capital  
(Post-Offer)

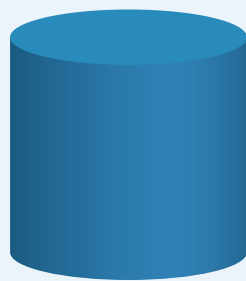


## SANATHAN TEXTILES LIMITED

# Valuations and Peer Comparison

Market Cap  
₹2,709 Cr

P/E Ratio



**20.24x**

Sanathan Textiles  
Limited

Market Cap  
₹36,586 Cr



**46x**

K.P.R. Mill  
Limited

Market Cap  
₹15,906 Cr



**20x**

Vardhman Textiles  
Limited

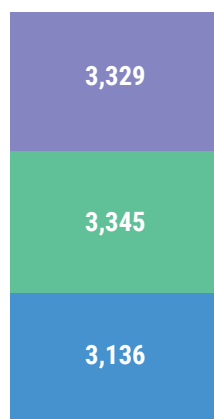
Market Cap data of listed securities as on December 18, 2024

## Financial Snapshot (in ₹ Cr)

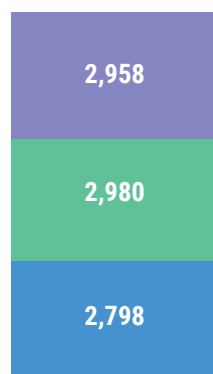
- Revenue
- Total Income
- Total Expenses



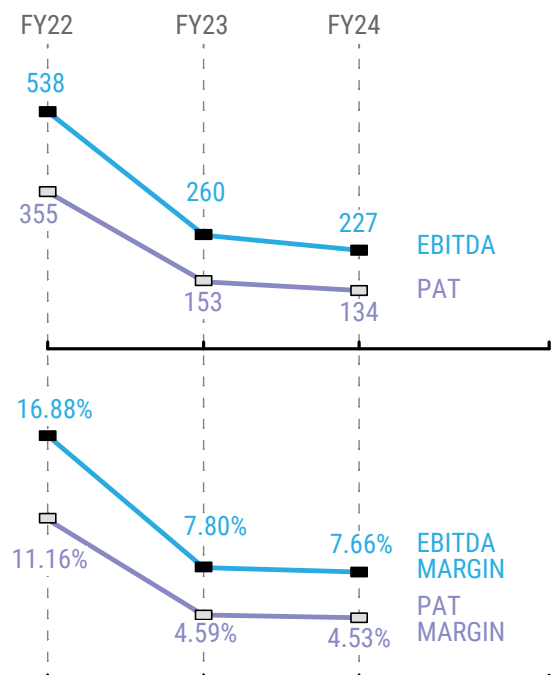
**FY22**  
EPS: 49.40



**FY23**  
EPS: 21.24



**FY24**  
EPS: 18.60





SANATHAN TEXTILES LIMITED

## Business Insights



### Competitive Strengths

- One of the few companies in India with presence across the polyester, cotton and technical textile sectors.
- Focus on the product development of new products, through process innovation.
- Fully integrated Yarn manufacturing plant set up at a strategic location with equipment supplied by domestic and globally renowned players.
- Long standing association with leading consumer brands with a low customer concentration.
- Deep knowledge and understanding of optimal product assortment and strong supplier network enabling procurement at predictable and competitive pricing, leading to an overall efficient cycle.
- Healthy financial performance.
- Experienced management team with a proven track record.



### Risks

- The company does not have long-term agreements for supply of raw materials. If the company is unable to procure raw materials of the required quality and quantity, at competitive prices, business, results of operations and financial condition may be adversely affected. Majority of the raw materials are sourced from few key suppliers. Discontinuation of operations of such suppliers may adversely affect the company's ability to source raw materials at a competitive price.
- The company has a high working capital requirement and if the Company is unable to raise sufficient working capital the operations of the company will be adversely affected.

### Promoters and Management Details

Paresh Vrajlal Dattani - Chairman and Managing Director

Ajay Vallabhdas Dattani - Joint Managing Director

Anilkumar Vrajdas Dattani - Executive Director

Dinesh Vrajdas Dattani - Executive Director

Research Disclaimer <https://bit.ly/2RK2tzc>



### Business Strategy

- Expanding manufacturing capacity.
- Enhance value addition in existing products and development of new products.
- Harnessing digitization and technology in production processes with a focus on energy efficiency and sustainable practices.

