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# SHRI TECHTEX LIMITED

Corporate Identity Numbers: U36900GJ2018PLC104005

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s Shree Tech Tex Company", pursuant to a deed of partnership dated January 7, 2011. Subsequently, the constitution of partnership firm were changed on February 18, 2016, July 01, 2017, March 14, 2018 and June 12, 2020 by admission and retirement of partners. Later on, Name of "M/s Shree Tech Tex Company" was changed to "M/s Shri Techtex" on July 03, 2018 by amendment in Deed of Partnership. "M/s Shri Techtex" was thereafter converted from a partnership firm to a private limited company under Part I chapter XXI of the Companies Act, 2013 in the name of "Shri Techtex Private Limited" and received a certificate of incorporation dated September 08, 2018 from the Central Registration Center, Ministry of Corporate Affairs. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on December 31, 2022 and the name of our Company was changed to "Shri Techtex Limited". A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated January 03, 2023 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U36900GJ2018PLC104005.

Registered Office: Harmony, 2nd Floor, 15/A, Shree Vidhyanagar Co.Op. Hsg. Soc. Ltd. Opp. NABARD, Nr. Usmanpura Garden Ahmedabad -380014, Gujarat, India.

Website: [www.shritechtex.com](http://www.shritechtex.com); | E-Mail: [cs@shritechtex.co.in](mailto:cs@shritechtex.co.in); | Telephone No: +91 78741 32777

Company Secretary and Compliance Officer: Mrs. Akanksha Aswani

PROMOTERS OF OUR COMPANY: MR. HANSKUMAR RAMAKANT AGARWAL AND MRS. SHRADHA HANSKUMAR AGARWAL

## THE ISSUE

INITIAL PUBLIC ISSUE OF 7400000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF SHRI TECHTEX LIMITED ("STL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH 372000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 7028000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.66% AND 28.17%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

• QIB Portion: Not More than 50% of the Net Issue • Retail Individual Bidders Portion: Not less than 35% of the Net Issue • Non-Institutional Bidders Portion: Not Less than 15% of the Net Issue

Price Band: ₹ 54/- to ₹ 61/- per Equity Share of Face Value ₹ 10/- each.

The Floor Price is 5.40 times of the Face Value and the Cap Price is 6.10 times of the Face Value.

Bids can be made for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter.

## ASBA\*

Simple, Safe, Smart way of Application- Make use of it!!!

\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)\*\*

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs 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 have to apply through the ASBA process. "ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 220 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document.

\*ASBA forms can be downloaded from the website National Stock Exchange of India ("NSE") and can be obtained from the list of banks that is displayed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

\*\*List of banks supporting UPI is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in). Axis Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail [ipo.upi@npci.org.in](mailto:ipo.upi@npci.org.in). For the list of UPI Apps and Banks live on IPO, please refer to the link [www.sebi.gov.in](http://www.sebi.gov.in). For issue related grievance investors may contact: Beeline Capital Advisors Private Limited - Mr. Nikhil Shah (079 – 49185784/ +91 99988 81702) ([mb@beelinemb.com](mailto:mb@beelinemb.com)).

## Risks to Investors:

- Disclosures made in the chapter "Promoter and Promoter Group" are limited to the information available in public domain.
- Our Company, Promoters, Directors and group Companies are involved in certain litigations including tax related litigations, which if determined against them/us, can affect financial conditions of our company.
- The Company is dependent on few numbers of customers & Group Companies for sales. Loss of any of these large customers may affect our revenues and profitability.
- The Company is dependent on few numbers of suppliers for purchase of product. Loss of any of this large supplier may affect our business operations.
- In addition to normal remuneration, other benefits and reimbursement of expenses to our Promoters and Directors; they are interested to the extent of their shareholding and dividend entitlement thereon in our Company and for the transactions entered into between our Company and themselves as well as between our Company and our Group Companies/Entities.
- The Merchant Banker associated with the Issue has handled 13 public issues out of which 1 issue closed below issue price on listing date.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and Equity Qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 5.40 times the face value at the lower end and the Price Band and 6.10 times the face value at the higher end of the Price Band. Investors should also refer to "Business Overview", "Risk Factors", "Restated Financial Information" and "Managements Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 114, 26, 161 and 163, respectively of the Red Herring Prospectus, to have an informed view before making an investment decision.

### Qualitative Factors

- Experienced Promoters and Management Team
- Strategic Location of Manufacturing Facilities
- Diversified business operations and revenue base
- Wide range of Products
- Scalable Business Model

### Quantitative Factors

#### Basic & Diluted Earnings Per Share (EPS):

Basic earnings per share (₹) =  $\frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$

Diluted earnings per share (₹) =  $\frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$

| Financial Year/Period                            | Basic and Diluted EPS (in ₹) | Weights |
|--|------------------------------|---------|
| Financial Year ended March 31, 2021 (Post Bonus) | 7.21                         | 1       |
| Financial Year ended March 31, 2022 (Post Bonus) | 4.71                         | 2       |
| Financial Year ended March 31, 2023 (Post Bonus) | 5.19                         | 3       |
| Weighted Average                                 | 5.37                         |         |

#### Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●]:

Price to Earnings Ratio (P/E) =  $\frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$

| Particulars  | EPS (in ₹) | P/E at the lower end of the Price Band | P/E at the upper end of the Price Band |
|--|------------|--|--|
| Based on EPS of Financial year ended March 31, 2023 (Post Bonus) | 5.19       | 10.40                                  | 11.75                                  |
| Based on Weighted Average EPS                                    | 5.37       | 10.05                                  | 11.36                                  |

#### Industry PE

Highest = 37.76      Lowest= 25.28      Average= 31.52

#### Return on Net Worth:

Return on Net Worth (%) =  $\frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}}$

| Financial Year/Period               | Return on Net Worth (%) | Weights |
|-------------------------------------|-------------------------|---------|
| Financial Year ended March 31, 2021 | 60.98                   | 1       |
| Financial Year ended March 31, 2022 | 39.37                   | 2       |
| Financial Year ended March 31, 2023 | 30.54                   | 3       |
| Weighted Average                    | 38.56                   |         |

#### Net Asset Value per Equity Share:

Restated Net Asset Value per equity share (₹) =  $\frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$

| Particular                           | Amount (in ₹) |
|--------------------------------------|---------------|
| As at March 31, 2023 (Post Bonus)    | 16.99         |
| NAV per Equity Share after the Issue | [●]           |
| Issue Price per Equity Share         | [●]           |

#### Comparison of Accounting Ratios with Peer Group Companies:

| Name of the company               | Standalone/ Consolidated | Face Value (₹) | Current Market Price (₹)@ | EPS (₹) Basic | P/E Ratio | RoNW (%) | NAV per Equity Share (₹) | Revenue from operations (₹ in Lakhs) |
|-----------------------------------|--------------------------|----------------|---------------------------|---------------|-----------|----------|--------------------------|--------------------------------------|
| Shri Techtex Limited              | Standalone               | 10             | [●]                       | 5.19          | [●]       | 30.54%   | 16.99                    | 5,692.39                             |
| Peer Groups                       |                          |                |                           |               |           |          |                          |                                      |
| Garware Technical Fabrics Limited | Standalone               | 10             | 2,907.05                  | 77.17         | 37.67     | 15.73    | 498.30                   | 1,25,361.68                          |
| Shubham Polyspin Limited          | Standalone               | 10             | 17.44                     | 0.69          | 25.28     | 5.94     | 11.93                    | 4460.92                              |

\$ The Figures as at March 31, 2023 and are taken from the financial results uploaded on respective Stock Exchange(s)

@ Current Market Price is considered same as issue price of Equity share.

#### Note:

- The EPS, P/E Ratio, NAV, RoNW and revenue from operations of Shri Techtex Limited are taken as per Restated Financial Statement for the Financial Year 2022-23.
- Current Market Price (CMP) is taken as the closing price of respective scripts as on March 31, 2023 at NSE / BSE. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share. The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Book Running Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Restated Financial Information" beginning on page nos. 26, 114 and 161 respectively of this Red Herring Prospectus.

#### FINANCIAL KPIs OF OUR COMPANY

| Particulars                           | For the Year ended on March 31 |            |            |
|---------------------------------------|--------------------------------|------------|------------|
|                                       | 2023                           | 2022       | 2021       |
| Revenue from Operations (₹ in Lakhs)  | 5,692.39                       | 5,117.63   | 3,946.76   |
| Growth in Revenue from Operations (%) | 11.23%                         | 29.67%     | -          |
| Gross Profit                          | 2,086.39                       | 2,242.32   | 3,052.74   |
| Gross Profit Margin (%)               | 36.65%                         | 43.82%     | 77.35%     |
| EBITDA (₹ in Lakhs)                   | 1,250.78                       | 1,226.21   | 1,807.08   |
| EBITDA Margin (%)                     | 21.97%                         | 23.96%     | 45.79%     |
| Profit After Tax (₹ in Lakhs)         | 910.63                         | 826.56     | 1,265.68   |
| PAT Margin (%)                        | 16.00%                         | 16.15%     | 32.07%     |
| RoE (%)                               | 35.84%                         | 39.59%     | 121.95%    |
| RoCE (%)                              | 20.07%                         | 29.21%     | 44.55%     |
| Net Fixed Asset Turnover (In Times)   | 1.50 Times                     | 1.69 Times | 2.24 Times |
| Net Working Capital Days              | 186 Days                       | 60 Days    | 148 Days   |
| Operating Cash Flows (₹ in Lakhs)     | (759.79)                       | 2,175.10   | 355.13     |

Source: The Figure has been certified by Statutory Auditor M/s A S R V & Co. Chartered Accountant vide their certificate dated June 23, 2023.

#### Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- Growth in Revenue from Operations (%) is calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- Gross Profit is calculated as Revenue from Operation less cost of material consumed, Purchase of traded goods and changes in inventories of finished goods and work-in-progress.
- Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- EBITDA is calculated as profit for the period / year, less other Income, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses.
- EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
- PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.
- RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes (excluding other Income) divided by Average capital employed. Capital Employed includes Shareholders fund, Long term borrowings and Short term borrowings.
- Net Fixed Asset Turnover is calculated as Net Turnover divided by average Fixed Assets which consists of property, plant and equipment and capital work-in-progress.
- Net Working Capital Days is calculated as working capital (current assets minus current liabilities (Excluding Short term Borrowing) as at the end of the year divided by revenue from operations multiplied by number of days
- Operating cash flows means net cash generated from operating activities as mentioned in the Restated Standalone Financial Statements.

#### OPERATIONAL KPIs OF THE COMPANY:

| Particulars   | For the Year ended on March 31 |          |          |
|---|--------------------------------|----------|----------|
|   | 2023                           | 2022     | 2021     |
| Capacity Utilization  |                                |          |          |
| Technical textiles unit I (demerged)                                    | -                              | 71.96%   | 71.92%   |
| Technical textiles unit II (post demerger)                              | 85.00%*                        | 46.56%   | -        |
| Revenue split between domestic and exports                              |                                |          |          |
| Domestic Market (in Lakhs)  | 3,627.38                       | 513.84   | 1,948.16 |
| Export Market (in Lakhs)  | 2,065.02                       | 4,603.79 | 1,998.60 |
| Domestic Market (%)   | 63.72%                         | 10.04%   | 49.36%   |
| Export Market (%)   | 36.28%                         | 89.96%   | 50.64%   |
| Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers |                                |          |          |
| Top 1 (%)   | 32.12%                         | 79.95%   | 32.63%   |
| Top 3 (%)   | 84.47%                         | 87.59%   | 63.97%   |
| Top 5 (%)   | 94.08%                         | 94.09%   | 89.05%   |

\* Production of Unit-II located at Survey No.165,166,167, Paiki, Simej, Rupgadh Road, Post Simej, Taluka Dholka, Ahmedabad, Gujarat 382365 had been started from October, 2021.

The Figure has been certified by our statutory auditors M/s. A S R V & Co., Chartered Accountants vide their certificate dated June 23, 2023.

#### COMPARISON OF FINANCIAL KPIs OF OUR COMPANY AND OUR LISTED PEERS:

Our Company, Shri Techtex Limited, is engaged in the business of Polypropylene (PP) Non-Woven Fabric manufacturing. Based on this, following are our listed peers.

| Particulars                           | Shubham Polyspin Limited       |            |            | Shubham Polyspin Limited       |            |            | Shubham Polyspin Limited       |            |            |
|---------------------------------------|--------------------------------|------------|------------|--------------------------------|------------|------------|--------------------------------|------------|------------|
|                                       | For the Year ended on March 31 |            |            | For the Year ended on March 31 |            |            | For the Year ended on March 31 |            |            |
|                                       | 2023                           | 2022       | 2021       | 2023                           | 2022       | 2021       | 2023                           | 2022       | 2021       |
| Revenue from Operations               | 5,692.39                       | 5,117.63   | 3,946.76   | 125,361.68                     | 117,605.46 | 101,726.21 | 4,460.92                       | 5,291.25   | 3,852.20   |
| Growth in Revenue from Operations (%) | 11.23%                         | 29.67%     | -          | 6.60%                          | 15.61%     | -          | -15.69%                        | 37.36%     | -          |
| Gross Profit                          | 2,086.39                       | 2,242.32   | 3,052.74   | 85,257.77                      | 82,031.37  | 72,080.69  | 901.78                         | 846.57     | 927.97     |
| Gross Profit Margin (%)               | 36.65%                         | 43.82%     | 77.35%     | 68.01%                         | 69.75%     | 70.86%     | 20.22%                         | 16.00%     | 24.09%     |
| EBITDA                                | 1,250.78                       | 1,226.21   | 1,807.08   | 21,297.62                      | 21,639.46  | 19,874.89  | 128.31                         | 114.53     | 240.11     |
| EBITDA Margin                         | 21.97%                         | 23.96%     | 45.79%     | 16.99%                         | 18.40%     | 19.54%     | 2.88%                          | 2.16%      | 6.23%      |
| Profit After Tax                      | 910.63                         | 826.56     | 1,265.68   | 15,907.01                      | 16,073.06  | 15,462.98  | 83.39                          | 67.53      | 71.64      |
| PAT Margin (%)                        | 16.00%                         | 16.15%     | 32.07%     | 12.69%                         | 13.67%     | 15.20%     | 1.87%                          | 1.28%      | 1.86%      |
| RoE (%)                               | 35.84%                         | 39.59%     | 121.95%    | 15.73%                         | 17.49%     | 19.16%     | 5.94%                          | 5.08%      | 5.65%      |
| RoCE (%)                              | 20.07%                         | 29.21%     | 44.55%     | 17.07%                         | 19.36%     | 19.66%     | -0.06%                         | 0.88%      | 4.94%      |
| Net Fixed Asset Turnover (In Times)   | 1.50 Times                     | 1.69 Times | 2.24 Times | 5.17 Times                     | 4.90 Times | 4.14 Times | 2.87 Times                     | 3.88 Times | 3.23 Times |
| Net Working Capital Days              | 186 Days                       | 60 Days    | 148 Days   | 80 Days                        | 148 Days   | 160 Days   | 71 Days                        | 65 Days    | 97 Days    |
| Operating Cash Flows                  | -759.79                        | 2,175.10   | 355.13     | 18,538.92                      | 5,986.14   | 20,535.93  | 349.58                         | 405.06     | 255.05     |

#### Comparison of Operational KPIs for the Company with that of Company's listed Peers:

| Particulars   | Shubham Polyspin Limited       |          |          | Shubham Polyspin Limited       |      |      | Shubham Polyspin Limited       |      |      |
|---|--------------------------------|----------|----------|--------------------------------|------|------|--------------------------------|------|------|
|   | For the Year ended on March 31 |          |          | For the Year ended on March 31 |      |      | For the Year ended on March 31 |      |      |
|   | 2023                           | 2022     | 2021     | 2023                           | 2022 | 2021 | 2023                           | 2022 | 2021 |
| Utilization   |                                |          |          |                                |      |      |                                |      |      |
| Technical textiles unit I (demerged)                                    | -                              | 71.96%   | 71.92%   | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Technical textiles unit II (post demerger)                              | 84.77%*                        | 46.56%   | -        | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Revenue split between domestic and exports                              |                                |          |          |                                |      |      |                                |      |      |
| Domestic Market (in Lakhs)  | 3,627.38                       | 513.84   | 1,948.16 | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Export Market (in Lakhs)  | 2,065.02                       | 4,603.79 | 1,998.60 | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Domestic Market (%)   | 63.72%                         | 10.04%   | 49.36%   | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Export Market (%)   | 36.28%                         | 89.96%   | 50.64%   | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Contribution to revenue from operations of top 1 / 3 / 5 / 10 customers |                                |          |          |                                |      |      |                                |      |      |
| Top 1 (%)   | 32.12%                         | 79.95%   | 32.63%   | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Top 3 (%)   | 84.47%                         | 87.59%   | 63.97%   | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |
| Top 5 (%)   | 94.08%                         | 94.09%   | 89.05%   | N.A.                           | N.A. | N.A. | N.A.                           | N.A. | N.A. |

- Contribution to Revenue from Operations of top 1 / 3 / 5 customers means aggregate revenue from top 1 / 3 / 5 customers divided by total Revenue from Operations
- Data of Operational KPIs of the Company's listed peers is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with the Company's information not available in a comparable manner, and hence not mentioned.

For further details, please see the chapter titled "BASIS FOR ISSUE PRICE" beginning on page 96 of the RHP

(Continued on next Page ...)



# Digital frauds double; RBI steps up scrutiny

All fraud cases need to be reported now

PIYUSH SHUKLA  
Mumbai, July 20

THE RESERVE BANK of India (RBI) has increased its attention on the rising digital frauds in banking system during the ongoing annual FY23 inspection of books and internal processes, and is more intent on seeing what are the online fraud prevention mechanisms set in place by the banks, three people aware of the matter told FE.

“RBI has enhanced its attention in this area. The quantum is less (in digital frauds), but the volumes are rising with UPI (Unified Payments Interface) coming into the picture,” a senior public sector banker said. The banker said on advances side, a lot of cleaning up has already been done largely with several risk management processes being put in place but digital frauds of smaller quantum still pose an operational risk to banks.

According to the RBI’s FY23 annual report, even as the overall value of frauds reported by Indian banks halved from ₹59,819 crore in FY22 to ₹30,252 crore in FY23, the value and volume of digital frauds committed using cards and internet-based payment methods nearly doubled.

While 3,596 frauds amount-

## CAUSE FOR CONCERN

■ According to the RBI’s annual report, the overall value of frauds halved from

▼

₹59,819 cr in FY22 to ₹30,252 cr in FY23

■ The value and volume of frauds using cards and internet-based payment methods nearly doubled

■ While 3,596 digital frauds worth ₹155 cr were reported in FY22, the volume nearly doubled to 6,659 frauds in FY23, amounting to ₹276 cr



ing to ₹155 crore using cards and internet banking services were reported by lenders in FY22, the volume nearly doubled to 6,659 digital frauds in FY23 amounting to ₹276 crore.

According to the bankers, the RBI is asking lenders about mechanisms in place to prevent transaction payment frauds, the customer service handles that lenders are providing to users and whether banks have an effective grievance redressal cell in place.

“They are looking at what are fraud prevention systems. For example in transaction frauds, if a scammer has got hold of a customer’s credentials, since there is a maximum amount limit per transaction, scammer will have to conduct repeated transactions and if the velocity of transaction is high then bank’s system

should be able to recognise and flag it, the systems in back end must be able to detect,” the banker said. Another senior banker at a private sector bank said not all users are very vigilant while conducting online payments, so the RBI has asked lenders to conduct awareness campaigns on cyber frauds.

“A lot of customers are using online tools but unfortunately many of them give away their OTP or get their SIM compromised, among other issues. Thus the RBI is highly focused in this area for quite some time and are asking banks to up their vigilance,” the banker said, adding that banks have been asked to put in processes which enable live tracking of online payment issues, flagging certain fraud websites, fraudulent merchant QR codes, among others.

# Sebi allows six new strategies under ESG

SIDDHANT MISHRA  
Mumbai, July 20

MARKETS REGULATOR SEBI on Thursday issued a circular allowing asset management companies to introduce six new strategies under the ESG category. Present norms allow MFs to launch only one ESG scheme, which comes under the thematic segment.

The new strategies are — exclusions, integration, best-in-class and positive screening, impact investing, sustainable objectives, and transition or transition-related investments.

“The concept of ESG investments is emerging, therefore, consistent, comparable and decision-useful scheme disclosures is desirable to enable investors to make informed investment decision and to prevent greenwashing,” said the circular.

It has mandated at least 80% of the total AUM of ESG schemes to be invested in equity and equity-related instruments of that particular strategy.

The remainder shall not be in contrast to the strategy of the scheme. It added that MFs have to deploy a higher proportion of the assets towards the scheme’s strategy under the ESG theme and make suitable disclosures.

The provision of a new category for ESG schemes will be applicable with immediate effect. MFs shall clearly disclose the name of ESG strategy in the name of the ESG fund/scheme concerned. Additionally, MFs have been directed to make disclosures in the monthly portfolio statements of ESG schemes — such as security-wise BRSR core scores, name of the ESG rating providers providing ESG scores, and the ESG scores.

## More steps for clearing corporations

SEBI ON Thursday proposed measures for monitoring the exposure of Clearing Corporations (CCs) to various entities and mitigate the risks. It has been suggested that any type of exposure of CC should be appropriately monitored and managed. Besides, such exposures should be diversified. — PTI

## Jio Fin valued at ₹1.77 trn

Bhaskar Chakraborty and Prakhya Sharma at Jefferies estimate JFS has a net worth of about ₹28,000 crore, and ₹1.1 trillion including the 6.1% stake of RIL. “Still from a regulatory perspective, core net worth may be about ₹14,000 crore once the cost of investment in RIL is deducted. Therefore, JFS may over next few years look to raise capital to fund growth or support cash-backed M&A as need to write-off goodwill will bring down capital,” they said.

JFS will be the 51st constituent in Nifty 50 and 31st in Sensex and will be considered for index weight calculations. However, its market-cap and price will remain constant until it lists, which could be within a month or earlier.

Three days after the JFS listing, active and passive fund managers could sell around 90 million shares amounting to \$290 million, while Sensex index trackers could sell 55 million shares, amounting to \$175 million, estimates by Nuvama Alternative & Quantitative Research show.

Suresh Ganapathy at Macquarie had observed in a report, after the announcement of the demerger of JFS in late 2022, that JFS will differ from most other fintechs, as it will have access to huge amounts of data, gathered from non-financial relationships.

“It can process and analyse this data in real time, to offer financial services, similar to Alibaba, Amazon, Apple, Facebook and Google. Also, unlike other fintechs, JFS will have a large balance sheet, not be asset-light and eventually manufacture most product offerings, giving it a significant competitive advantage, in our view, they wrote.

## Infy halves revenue guidance

During the quarter, the company bagged large deals worth \$2.3 billion, which was slightly higher than \$2.1 billion worth of deals won in the preceding quarter.

“We had a solid Q1 with a growth of 4.2% and large deals of \$2.3 billion which helps us to set a strong foundation for future growth. Our generative AI capabilities are expanding well, with 80 active client projects. Topaz, our comprehensive AI offering, is resonating well with clients. We see this being

## HUL Q1 earnings trail estimates

Yet, that has not been enough, analysts tracking the company said, as consumers continued to worry about inflation, especially, food inflation, which has spiked in the last one month. India’s consumer price inflation increased to 4.81% in June after moderating for four months. “The FMCG market is recovering gradually, although the operating environment remains challenging,” Rohit Jawa, managing director and chief executive officer at HUL, said on Thursday, in his first media interaction since he took charge on June 27. Jawa replaced Sanjiv Mehta, who retired after a 10-year stint at HUL, last month.

HUL’s latest results suggest, say experts, that a post-pandemic recovery in the country’s rural areas is yet to take hold. With monsoon unevenly spread, the impact on supply chains and crops could fan prices further.

“Volumes were a miss on our estimates. While rural markets are likely to recover gradually, they have turned positive in the June quarter after being on a declining spree for some time,” Amnisha Aggarwal, head of research at brokerage Prabhudas Lilladher, said.



Still, the rural volume growth remains at negative 4% on a two-year CAGR basis, according to the company’s investor presentation released on Thursday.

The Rin, Dove and Surf Excel-makers said the return of small players in the market, who exited at the peak of inflation, has increased competitive intensity. HUL, however, gained a market share in 75% of the categories in terms of value and volume, Ritesh Tiwari, HUL’s chief financial officer said in a post-media interaction on Thursday.

“The fast-moving consumer goods (FMCG) market is seeing a gradual recovery in volume as inflation continues to moderate,” Tiwari said. “The market volume

grew 5% during the quarter, led by urban markets,” he added.

In terms of outlook, Tiwari said that the near-term operating environment remained volatile with weather-related disturbances being a key monitorable.

“We need to be watchful of the progress of monsoon and any possible impact of El Nino on crops and rural demand,” he said. “Volumes are expected to recover only gradually due to high levels of cumulative inflation. Consumption habits typically recover with a lag,” he said.

Shares of HUL closed trade 1.15% up on the BSE on Thursday to ₹2,702.35 apiece.

rate was as high as 28.4% in the June quarter last year. The total employee strength as of June-end was 336,294, which was down 6,940 from the preceding quarter.

## Eyeing localisation by 2025-end: First Solar

First Solar has started the trial runs with a view to securing the required certifications like BIS, ALLM, other local approvals and certain global certifications over the next three months. Commercial shipments will begin in October. The plant will reach its full nameplate capacity of producing 3.4 GW after a year. As for the investment, Ghosh said, “By the time we hit our full capacity next year, we would have invested \$700 million. Of this \$500 million of credit line has been extended by the US Development Finance Corporation (USDFC).”

Besides, he said, as all the manufacturing units of First Solar in the US, Malaysia, Viet-

nam and India with a combined annual nameplate capacity of about 21 GW by 2026, are 100% owned by the company, “we have got enough on our balance sheet.”

First Solar thin film photovoltaic (PV) modules are produced using a fully integrated, continuous process under one roof that does not rely on Chinese crystalline silicon (c-Si) supply chains. “We neither export anything to or import anything from China,” Ghosh said. As most of the equipment to build the factory at Sriperumbudur was imported with high duty, First Solar got the Export Promotion Capital Goods (EPCG) licence in 2022 and needs to export four and a half times of the duty saved under the scheme within a period of four years by 2026.

“This will not be a major component of our production. The investment decision on this factory is purely to support the domestic market, India’s needs for solar PV,” he said, adding that mostly the company’s products are intended for utility scale applications — grid-connected ground mount power plants, and not residential rooftops and smaller applications.

(... Continued from previous page)

BID / ISSUE PROGRAM

BID/ISSUE OPENS ON<sup>(1)</sup> : WEDNESDAY, JULY 26, 2023

BID/ISSUE CLOSES ON: FRIDAY, JULY 28, 2023

<sup>(1)</sup> Our company in consultation with the BRLM may consider participation by Anchor Investors. Anchor Investor Bidding date shall be one working day prior to the Bid/Issue opening date, in accordance with SEBI ICDR Regulations.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of 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, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, 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, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Manager, 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”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 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, 5.00% 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% 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 QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders (except Anchor Investors) are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see “Issue Procedure” on page 220 of Red Herring Prospectus.

**Bidders / Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. 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 Applicants’ sole risk. Bidders / Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available 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.**

**Contents of the Memorandum of Association of the Company as regards its objects:** For information on the main objects and other objects of our Company, see “History and Certain Corporate Matters” on page 140 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section “Material Contracts and Documents for Inspection” on page 289 of the Red Herring Prospectus.

**Liability of Members of the Company:** Limited by shares.

**AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE:** The Authorised share capital of the Company is ₹ 25,00,00,000 divided into 25000000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company before the Issue is ₹ 17,55,00,000 divided into 17550000 Equity Shares of ₹ 10 each. For details of the Capital Structure, see “Capital Structure” on the page 61 of the Red Herring Prospectus.

**NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM:** Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company: Mr. Kiranbhai Bhailalbhai Patel – 500 Equity Shares, Mrs. Shradha Hanskumar Agarwal – 1119500 Equity Shares, Mrs. Radhadevi Agrawal – 1119500 Equity Shares, Mr. Ramakant Bhojnagarwal – 5000 Equity Shares, Mr. Hanskumar Ramakant Agarwal – 5000 Equity Shares, Mr. Vikas Srikishan Agarwal – 400 Equity Shares and Mrs. Shuchi Vikas Agrawal – 100 Equity Shares aggregating to 2250000 Equity Shares of ₹ 10/- each. For details of the Capital Structure, see “Capital Structure” on the page 61 of the Red Herring Prospectus.

**LISTING:** The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited. Our Company has received an in-principle approval from the National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letter dated June 22, 2023. For the purposes of the Issue, the Designated Stock Exchange shall be Emerge Platform of National Stock Exchange of India Limited. A signed copy of the Red Herring Prospectus has been submitted with the ROC on July 19, 2023 and Prospectus shall be submitted for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see “Material Contracts and Documents for Inspection” on page 289 of the Red Herring Prospectus.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI):** Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Draft Red Herring Prospectus/Red Herring Prospectus was filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 200 of the RHP.

**DISCLAIMER CLAUSE OF NSE (THE DESIGNATED STOCK EXCHANGE):** It is to be distinctly understood that the permission given by National Stock Exchange of India Limited (“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 201 of the Red Herring Prospectus for the full text of the Disclaimer clause of National Stock Exchange of India Limited.

**GENERAL RISK:** Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“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 26 of the Red Herring Prospectus.

| BOOK RUNNING LEAD MANAGER TO THE ISSUE  | REGISTRAR TO THE ISSUE  | COMPANY SECRETARY AND COMPLIANCE OFFICER   |
|---|---|--|
| <br><b>BEELINE CAPITAL ADVISORS PRIVATE LIMITED</b><br>SEBI Registration Number: INM000012917<br><b>Address:</b> B-1311-1314, Thirteenth Floor, Ship Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad, Gujarat – 380054, India.<br><b>Telephone Number:</b> 079 4918 5784<br><b>Email Id:</b> mb@beelinemb.com<br><b>Investors Grievance Id:</b> ig@beelinemb.com<br><b>Website:</b> www.beelinemb.com<br><b>Contact Person:</b> Mr. Nikhil Shah<br><b>CIN:</b> U67190GJ2020PTC114322 | <br><b>LINK INTIME INDIA PRIVATE LIMITED</b><br>SEBI Registration Number: INR000004058<br><b>Address:</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra, India – 400 083. <b>Tel. Number:</b> +91 810 811 4949<br><b>Fax:</b> +91 22 - 4918 6060<br><b>Email Id:</b> shritectext ipo@linkintime.co.in<br><b>Investors Grievance Id:</b> shritectext ipo@linkintime.co.in<br><b>Website:</b> www.linkintime.co.in<br><b>Contact Person:</b> Shanti Gopalkrishnan<br><b>CIN:</b> U67190MH1999PTC118368 | <br><b>SHRI TECHTEX LIMITED</b><br><b>Mrs. Akanksha Aswani</b><br><b>Address:</b> Harmony, 2nd Floor, 15/A, Shree Vidhyanagar Co. Op. Hsg. Soc. Ltd. Opp. NABARD, Nr. Usmanpura Garden Ahmedabad -380014, Gujarat, India.<br><b>Tel No:</b> +91 78741 32777;<br><b>Email:</b> cs@shritectext.co.in<br><b>Website:</b> www.shritectext.com<br><i>Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.</i> |

**AVAILABILITY OF RED HERRING PROSPECTUS:** Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the SEBI at www.sebi.gov.in, website of the Company at www.shritectext.com, the website of the BRLM to the Issue at www.beelinemb.com, the website of NSE i.e. www.nseindia.com, respectively.

**AVAILABILITY OF BID-CUM-APPLICATION FORMS:** Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Shri Techtext Limited, Telephone: +91 78741 32777; BRLM: Beeline Capital Advisors Private Limited, Telephone: 079 4918 5784 and the Syndicate Member: Sunflower Broking Private Limited Telephone: +91 8905344010 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

**ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK:** Axis Bank Limited. UPI: Retail Individual Bidders can also Bid through UPI Mechanism.

**All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.**

On behalf of Board of Directors  
For, **SHRI TECHTEX LIMITED**  
sd/-  
**Shradha Hanskumar Agarwal**  
Chairman and Managing Director

**Disclaimer:** Shri Techtext Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Ahmedabad on July 19, 2023 and thereafter with SEBI and the Stock Exchanges. The RHP is available on the websites of SEBI at www.sebi.gov.in, website of the Company at www.shritectext.com, the website of the BRLM to the Issue at www.beelinemb.com, the website of NSE i.e. www.nseindia.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled “Risk Factors” beginning on page 26 of Red Herring Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being issued and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

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