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swastika

AVOID

IPO NOTE

SHREE RAM TWISTEX LIMITED

Rating:
Avoid

ISSUE OFFER	
Issue Opens on	FEB 23, 2026
Issue Close on	FEB 25, 2026
Total IPO size (cr)	₹110
Fresh issue (cr)	₹110
Offer For Sale (cr)	-
Price Band (INR)	₹ 95-104
Market Lot	144 SHARES
Face Value (INR)	₹10
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹ 415.74CR

ISSUE BREAK-UP (%)	
QIB Portion	75%
NII Portion	15%
Retail Portion	10%

INDICATIVE TIMETABLE	
Basis of Allotment	26-02-2026
Refunds/Unblocking ASBA Fund	27-02-2026
Credit of Share to Demat A/c	27-02-2026
Listing Date	02-03-2026

Shree Ram Twistex manufactures cotton yarns, including Compact Ring Spun and Carded Yarns, both Combed and Carded.

OBJECTS OF THE ISSUE

- The funds will be used to set up a 6.1 MW solar power plant and a 4.2 MW wind power plant for captive use.
- Repayment of certain company borrowings.
- The company will also allocate funds to meet its working capital requirements.
- General corporate purposes.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	29.37	29.37	11.75
Net Worth	74.03	66.80	61.11
Total Income	**256.32**	**231.72**	**213.58**
EBITDA Margin%	8.52%	8.71%	8.15%
Net Profit/Loss of the year	**8.00**	**6.55**	**2.05**

FINANCIAL RATIOS OF FY25

ROE	P/E (Pre IPO)	EPS (Pre IPO)
10.74 %	38.21x	2.72

OUTLOOK & VALUATION

- Shree Ram Twistex is showing improving margins and strong earnings momentum, supported by its shift to captive green energy.
- However, the IPO valuation at around 29x-30x P/E already factors in most of the future growth.
- Compared to cheaper listed peers, near-term upside looks limited.
- Overall, it is suitable only for high-risk, long-term investors, Avoid for investors seeking listing gains or safe, value-based entries. The IPO appears fully priced to overvalued, leaving little "margin of safety" for retail investors.

COMPANY PROFILE

- Shree Ram Twistex Limited is a Gujarat-based cotton yarn manufacturing company incorporated on December 31, 2013, as a private limited company.
- The Company operates a manufacturing facility at Gondal, Rajkot, Gujarat.
- It is engaged in the manufacturing of cotton yarns, including compact ring spun and carded yarns, both combed and carded.
- Its product portfolio also includes value-added yarns such as Eli Twist, compact slub yarns and Lycra-blended yarns.
- These yarns cater to knitting and weaving applications across denim, terry towels, shirting, home textiles and industrial fabrics.
- The Company follows a B2B business model, supplying institutional buyers such as textile manufacturers and garment exporters.

COMPETITIVE STRATEGIES

- Setting up Ground mounted solar power plant and windmill for captive use.
- Working capital optimization
- Maintain and expand long term relationships with customers and brokers
- Operational Efficiency and Manufacturing Excellence
- Focus on rationalizing indebtedness

KEY CONCERNS

- High dependence on top customers for revenue.
- No long-term contracts; operates on a purchase order basis.
- No formal dividend policy and no past dividend payments.
- Risk of technology obsolescence and upgrade costs.
- Dependence on key promoters and senior management.

KEY STRENGTHS

- Expanded capacity to 9,855 MT per annum, improving scale and efficiency.
- No time or cost overruns in operations.
- No history of lockouts or strikes.
- No accumulated losses as per the RHP.
- Experienced promoters with a strong textile industry background.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Shree Ram Twistex Limited	**2.72**	**38.21**	**23.97**	**255.4**	**10.80**
Peer Group					
Ambika Cotton Mills Limited	114.83	11.37	1,539.69	702.07	7.46
Damodar Industries Limited	2.32	14.09	56.62	421.43	-0.05
Rajapalayam Mills Limited	-54.45	9.44	495.33	898.47	-12.00

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000
Compliance Officer: Ms. Sheetal Duraphe Email: compliance@swastika.co.inPhone: (0731) 6644 241
Swastika Investmart Limited, SEBI Reg. No. : NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532 CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.