



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



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



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