

Shree Ram Twistex Ltd.

IPO Note



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Weaving Trust Through & Spinning Excellence

Shree Ram Twistex Ltd. is a textile manufacturing company specializing in cotton yarn production, including compact ring spun, carded, combed, Eli Twist, and value-added yarns like slub and Lycra blends, headquartered in Gondal, Rajkot, Gujarat. Incorporated on December 31, 2013, as a private limited company and converted to public on September 18, 2024, it operates a B2B model supplying yarns for knitting and weaving to institutional buyers in denim, towels, shirting, sheeting, and home textiles through efficient production processes.

Shree Ram Twistex operates within India's robust textile spinning industry, fueled by strong domestic demand, export growth, and rising needs for quality yarns in apparel and home furnishings. The company follows a manufacturing-led business model that leverages advanced ring spinning machinery, capacity expansion (from 5,500 to 9,855 MT/annum), and a single integrated facility (32 MT/day) to ensure consistent quality and customized solutions for large-scale buyer

Shree Ram Twistex has demonstrated steady revenue growth from INR 213.10 Cr in FY23 to INR 255.04 Cr in FY25, while Profit After Tax (PAT) surged from INR 2.05 Cr in FY23 to INR 8.00 Cr in FY25 (a ~290% increase over two years, though YoY growth for FY25 was 22.0%). The IPO is a fresh issue of up to 1.06 Cr equity shares, aimed at funding the reimbursement of solar power plant costs (INR 7.35 Cr), a wind power plant (INR 39.00 Cr), debt repayment (INR 14.89 Cr), and working capital requirements (INR 44.00 Cr)

The company boasts a strong financial track record with revenue from operations growing consistently, reaching INR 255.04 Cr in FY25, alongside a PAT of INR 8.00 Cr driven by operational efficiencies at its Gondal facility. Total borrowings stand at INR 60.70 Cr as of September 2025, with audited EBITDA margins ranging between 8.16% and 8.72% (increasing to 12.90% in the provisional September 2025 period). Key vulnerabilities include customer concentration, with the top customer contributing 16.84% to 32.11% of revenue, and a high dependency on raw cotton

The IPO fresh issue of 1.06 Cr shares (issue size 110.24 Cr.) allocates proceeds primarily to a 6.1 MW captive solar plant (INR 7.35 Cr reimbursement) and a 4.2 MW wind power plant (INR 39.00 Cr) to reduce energy costs. Further allocations include debt prepayment (INR 14.89 Cr) and working capital (INR 44.00 Cr), positioning the company for growth amid Gujarat-centric operations, which account for 83.14% to 93.48% of total revenue

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	Adj BVPS (₹)	RoE (%)	RoIC (%)	EV/EBITDA (X)	P/BV (X)	P/E (X)
FY23	213.1	17.2	2.1	8.1	1.0	0.5	15.3	3.4	7.2	27.4	6.8	202.7
FY24	231.6	20.3	6.6	8.8	2.8	1.6	16.7	9.8	10.5	23.7	6.2	63.4
FY25	255.0	20.9	8.0	8.2	3.1	2.0	18.5	10.8	11.0	22.8	5.6	52.0

Source: Ventura Research & Company update

Industry	Textile
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Scrip Details

Listing	BSE & NSE
Open Date	Feb 23, 2026
Close Date	Feb 25, 2026
Price Band	INR 95 - 104
Face Value	INR 10
Market Lot	144 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr)	INR 110.0
Issue Size sh. (in cr.)	1.06
QIB Share (%)	≥ 75%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≤ 10%
Pre-Issue sh. (in cr.)	2.9
Post Issue sh. (in cr.)	4.0
Post Issue Market Cap (in cr)	415.7

Shareholding (%)	Pre (%)	Post (%)
Promoter	47.1	34.6
Public	52.9	65.4
TOTAL	100	100

Issue Structure and Offer Details:

Shree Ram Twistex IPO is a book build issue of INR 110.24 crores. The issue is entirely a fresh issue of 1.06 crore shares of INR 110.24 Cr.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75% of the Net Offer
NII (HNI)	Not more than 15% of the Net Offer
Retail	Not more than 10% of the Net Offer

Number of shares based on a higher price band of INR 104

Source: Company Reports

Objects of the Issue:

1. Funding for setting up of 6.1 MW Solar Power Plant for captive use
2. Funding for setting up of 4.2 MW Wind Power Plant for captive use- INR 39.00 Cr.
3. Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company INR 14.89 Cr.
4. Funding the working capital requirements of our Company INR 44.00 Cr.
5. General corporate purposes

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	213.1	231.6	255.0	Adjusted EPS (INR)	0.5	1.6	2.0
<i>YoY Growth (%)</i>	<i>(2.2)</i>	<i>8.7</i>	<i>10.1</i>	Adjusted Cash EPS (INR)	2.7	3.2	3.5
Raw Material Cost	187.8	204.2	221.4	Adjusted BVPS (INR)	15.3	16.7	18.5
<i>RM Cost to Sales (%)</i>	<i>88.1</i>	<i>88.2</i>	<i>86.8</i>	Adjusted CFO per share (INR)	2.5	(1.2)	5.4
Employee Cost	3.9	4.0	4.2	CFO Yield (%)	2.4	(1.2)	5.2
<i>Employee Cost to Sales (%)</i>	<i>1.8</i>	<i>1.7</i>	<i>1.7</i>	Adjusted FCF per share (INR)	1.7	(1.0)	4.4
Other Expenses	4.2	3.1	8.4	FCF Yield (%)	1.6	(1.0)	4.2
<i>Other Exp to Sales (%)</i>	<i>2.0</i>	<i>1.3</i>	<i>3.3</i>	Solvency Ratio (X)			
EBITDA	17.2	20.3	20.9	Total Debt to Equity	0.9	1.0	0.8
<i>Margin (%)</i>	<i>8.1</i>	<i>8.8</i>	<i>8.2</i>	Net Debt to Equity	0.9	1.0	0.8
<i>YoY Growth (%)</i>	<i>(3.0)</i>	<i>18.1</i>	<i>2.9</i>	Net Debt to EBITDA	3.2	3.3	3.0
Depreciation & Amortization	8.8	6.3	6.0	Return Ratios (%)			
EBIT	8.4	14.0	14.9	Return on Equity	3.4	9.8	10.8
<i>Margin (%)</i>	<i>3.9</i>	<i>6.1</i>	<i>5.9</i>	Return on Capital Employed	3.0	7.1	9.3
<i>YoY Growth (%)</i>	<i>(4.0)</i>	<i>67.7</i>	<i>6.3</i>	Return on Invested Capital	7.2	10.5	11.0
Other Income	0.5	0.1	1.3	Working Capital Ratios			
Bill discounting & other charges	3.9	4.5	6.8	Payable Days (Nos)	24	21	61
Fin Charges Coverage (X)	2.1	3.1	2.2	Inventory Days (Nos)	49	38	92
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	36	70	46
PBT	4.9	9.6	9.4	Net Working Capital Days (Nos)	61	87	76
<i>Margin (%)</i>	<i>2.3</i>	<i>4.2</i>	<i>3.7</i>	Net Working Capital to Sales (%)	16.7	23.9	20.9
<i>YoY Growth (%)</i>	<i>(0.4)</i>	<i>96.2</i>	<i>(2.6)</i>	Valuation (X)			
Tax Expense	2.9	3.1	1.4	P/E	202.7	63.4	52.0
<i>Tax Rate (%)</i>	<i>58.2</i>	<i>31.9</i>	<i>14.7</i>	P/BV	6.8	6.2	5.6
PAT	2.1	6.6	8.0	EV/EBITDA	27.4	23.7	22.8
<i>Margin (%)</i>	<i>1.0</i>	<i>2.8</i>	<i>3.1</i>	EV/Sales	2.2	2.1	1.9
<i>YoY Growth (%)</i>	<i>(43.6)</i>	<i>219.5</i>	<i>22.0</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	4.9	9.6	9.4
Net Profit	2.1	6.6	8.0	Adjustments	14.2	8.4	11.8
<i>Margin (%)</i>	<i>1.0</i>	<i>2.8</i>	<i>3.1</i>	Change in Working Capital	(6.1)	(19.9)	2.0
<i>YoY Growth (%)</i>	<i>(43.6)</i>	<i>219.5</i>	<i>22.0</i>	Less: Tax Paid	(2.9)	(3.1)	(1.4)
Balance Sheet				Cash Flow from Operations	10.1	(4.9)	21.8
Share Capital	11.8	29.4	29.4	Net Capital Expenditure	(5.1)	(2.3)	(10.2)
Total Reserves	49.4	37.4	44.7	Change in Investments	0.4	0.1	0.1
Shareholders Fund	61.1	66.8	74.0	Cash Flow from Investing	(4.7)	(2.2)	(10.0)
Long Term Borrowings	34.8	39.2	40.5	Change in Borrowings	(1.3)	11.3	(4.6)
Deferred Tax Assets / Liabilities	3.4	4.8	3.8	Less: Finance Cost	(3.9)	(4.5)	(6.8)
Other Long Term Liabilities	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	0.2	0.3	0.4	Dividend Paid	0.0	0.0	0.0
Total Liabilities	99.5	111.1	118.6	Cash flow from Financing	(5.2)	6.8	(11.4)
Net Block	77.8	70.7	68.2	Net Cash Flow	0.2	(0.3)	0.3
Capital Work in Progress	0.0	2.2	10.5	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	Opening Balance of Cash	0.2	0.4	0.1
Non Current Investments	0.4	0.5	0.5	Closing Balance of Cash	0.4	0.1	0.4
Long Term Loans & Advances	0.0	2.8	0.5				
Other Non Current Assets	1.2	2.5	5.9				
Net Current Assets	20.0	32.4	33.1				
Total Assets	99.5	111.1	118.6				

Source: Ventura Research

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Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608