

Sunday, 22 February 2026

CM RATING 38 /100

# Shree Ram Twistex

## Regional concentration in Gujarat

### IPO is to fund working capital requirements and setting up 4.2 MW wind power plant

Shree Ram Twistex (Twistex) manufactures cotton yarns, including compact ring spun and carded yarns, both combed and carded. The yarns are used in both knitting and weaving for various products, such as denim, terry towels, shirting, sheeting, sweaters, socks, bottom wear, home textiles, and industrial fabrics.

It also offers value-added yarns, like eli twist (combed and carded), compact slub yarns, and lycra-blended yarns.

The company operates on business-to-business (B2B) model - supplying products to textile manufacturers, garment exporters, bulk purchasers and fabric processors. It sells products across states, including Gujarat, Rajasthan, West Bengal, Maharashtra, Tamil Nadu, Madhya Pradesh, and Punjab, as well as the union territory of Dadra and Nagar Haveli, and also export internationally.

The company sells its products in both the domestic market and international markets, with overseas sales routed through merchant exporters. Domestic sales constituted around 94% of the total revenues while exports constituted around 6% in FY2025. For six months ended September 2025, domestic revenue constituted around 90% while export revenue constituted 10% of the total revenues.

Its manufacturing facility is located in Gondal, Rajkot, Gujarat, with 17 compact ring-spinning machines with a total spindle count of 27,744. The company also has five warehouses, two raw material storage, two for finished goods, and one for general storage, with a combined storage capacity of 9,855 MT.

### Object of the offer

The offer consists of entirely fresh issue of 1.06 crore equity shares. At the upper price band of Rs 104, the company intends to raise Rs 110.24 crore.

Shree Ram Twistex to utilise proceeds from the IPO for setting up of 4.2 MW wind power plant for captive use at the expenses of Rs 39 crore. Further, Rs 14.89 crore will be used for repayment of certain borrowings, Rs 44 crore for working capital requirements and the balance towards general corporate purposes.

### Strengths

The company has long standing relationship with institutional customers including Welspun Living, Jindal Worldwide and other bulk purchases. The company services 45 customers in the six months ended September 30,2025 of which the company is associated with 6 key customers and 26 non key customers for more than 4 years. In addition the company is supported by a network of 8 third party brokers and agents who assist in identifying customers, arranging orders and facilitating transactions, allowing the company to maintain a lean internal sales structure while expanding market structure.

Strategic location of the plant at Gondal, near Rajkot, Gujarat, a cotton growing belt, offers access to quality raw material at competitive rates, and skilled manpower.

The company is led by a qualified and dedicated management team under the guidance of its Board of Directors. Its promoter Bhaveshbhai Bhikhubhai Ramani and Jay Atulbhai Tilala, play a key role in the development and

strategic direction of its business.

## Weaknesses

The company faces customer concentration risk as the company derived around 80% of its revenue from operations from its top-10 clients, of which one client contributed 28.6% of its revenue, in the six months ended September 30, 2025.

The company derived 93.48% of its revenue from Gujarat. Revenue concentration exposes the company to regional risk such as regulatory changes, natural calamities, infrastructure disruptions or social unrest within the state.

The Indian textile industry is highly fragmented and competitive marked by presence of large number of organized and unorganized players. This restricts the pricing flexibility and bargaining power with its customers.

The operating margins are fluctuating due to the volatility in pricing of raw materials.

Had negative cash flows in the past. If unable to generate adequate revenue growth and manage its expenses than the financial condition will be affected.

The operations of the company are working capital intensive with high inventory and receivable days.

## Valuation

Net profit stood at Rs 7.0 crore on net sales of Rs 132.082 crore in the six months ended September 2025.

Consolidated sales were up by 10.1% to Rs 255.04 crore in Fiscal 2025. The increase in revenue during FY25 was driven by strong demand for yarn despite fluctuating cotton rate. Operating profit margin (OPM) contracted from 8.78% to 8.20%, leading to a 2.9% increase in operating profit to Rs 20.92 crore. Other income inclined 860% to Rs 1.28 crore. Interest cost inclined 50.2% to Rs 6.83 crore and depreciation cost declined by 4.9% to Rs 5.99 crore. PBT stood at Rs 9.38 crore down 2.6% yoy. The company reported Net profit of Rs 8.0 crore when compared to net profit of Rs 6.55 crore in FY2024. Tax expense was Rs 1.38 crore in FY2025 as against tax expense of Rs 3.07 crore in FY2024.

At the higher price band of Rs 104, the offer is made at a P/E of 52 times FY2025 EPS (of Rs 2.0)

Listed players include Ambika Cotton, Rajapalyam Mills, Nitin Spinners, Nahar Spinning Mills and Damodar Industries. In comparison Ambika Cotton trades at 13.0 times P/ TTM EPS, Rajapalyam Mills trades at 9.46 times P/ TTM EPS, Nitin Spinners trades at 13.7 times P/ TTM EPS, Nahar Spinning Mills trades at 34.1 times P/ TTM EPS and Damodar Industries trades at 7.76 times P/ TTM EPS.

<b>Shree Ram Twistex : Issue Highlights</b>	
Fresh issue (in Rs crore)	100.70-110.24
Offer for sale (in Rs crore)	-
Offer for sale (in number of shares)	
- in Upper price band	-
- in Lower price band	-
Price Band (Rs)	95-104
For Fresh Issue Offer size (in no of shares)	
- in Upper price band	10600000
- in Lower price band	10600000
<b>Post issue capital (Rs crore)</b>	

- in Upper price band	39.98
- in Lower price band	39.98
<b>Post issue Promoter and Promoter Group shareholding</b>	
-On higher price band (%)	34.6%
-On lower price band (%)	34.6%
Bid Size (in No. of shares)	144
Issue open date	23/02/2026
Issue close date	25/02/2026
Listing	BSE, NSE
<b>Rating</b>	<b>38/100</b>

### Shree Ram Twistex: Standalone Financials

	2303 (12)	2403 (12)	2503 (12)	2509 (6)
Sales	213.10	231.59	255.04	132.08
OPM (%)	8.08	8.78	8.20	12.76
OP	17.21	20.33	20.92	16.86
Other inc.	0.48	0.13	1.28	0.18
PBIDT	17.69	20.46	22.19	17.04
Interest	3.94	4.55	6.83	3.53
PBDT	13.74	15.92	15.36	13.51
Dep.	8.84	6.29	5.99	3.62
PBT	4.91	9.63	9.38	9.89
Total Tax	2.85	3.07	1.38	2.89
Net Profit	2.05	6.55	8.00	7.00
EPS (Rs)*	0.51	1.64	2	#
EPS is on post issue equity capital of Rs 39.98 crore of face value of Rs 10 each				
Figures in Rs crore				
Source: Shree Ram Twistex Issue Prospectus				