IPO Note

SHREE RAM TWISTEX LIMITED

Feb 23th, 2026

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Details of the Issue	
Price Band	₹ 95 - ₹ 104
Issue Size	₹ 110 Cr
Face Value	₹ 10
Bid Lot	144
Listing on	BSE,NSE
Post Issue Mcap	₹ 415.74 Cr
Investment Range	₹ 13,680 - ₹ 14,560

Important Indicative Dates (2025)	
Opening	23 - Feb
Closing	25 - Feb
Basis of Allotment	26 - Feb
Refund Initiation	27 - Feb
Credit to Demat	27 - Feb
Listing Date	02 - Mar

Lead Manager
Interactive Financial Services Ltd

Offer Details	
Offer Size	₹ 110 Cr
Fresh Issue	₹ 110 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	83	7.93	8.68	75
NII	17	1.59	1.74	15
Retail	11	1.06	1.16	10
Em-ploy.	-	-	-	-
Total	110	10.58	11.58	100

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Company Profile

Shree Ram Twistex manufactures a wide range of cotton yarns, including Compact Ring Spun and Carded Yarns (both combed and carded), catering to knitting and weaving applications such as denim, terry towels, shirting, sheeting, sweaters, socks, bottom wear, home textiles, and industrial fabrics. It also produces value-added yarns like Eli Twist (combed and carded), compact slub yarns, and Lycra-blended yarns. Operating on a B2B model, the company supplies textile manufacturers, garment exporters, bulk buyers, and fabric processors across key states including Gujarat, Rajasthan, West Bengal, Maharashtra, Tamil Nadu, Madhya Pradesh, Punjab, Dadra and Nagar Haveli, along with international exports. Its manufacturing facility is located in Gondal, Rajkot, Gujarat, equipped with 17 compact ring-spinning machines with a total spindle capacity of 27,744, supported by five warehouses with a combined storage capacity of 9,855 MT.

GEPL's Insights & Investment Thesis:

- Shree Ram Twistex Ltd manufactures cotton yarns, including Compact Ring Spun and Carded Yarns, catering to various knitting and weaving applications.
- The company has been reporting flattish revenue and margin growth over the last two financial years.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 30x. We believe that the issue is overly compared to its peers and has flattish financial performance over the last two years. Therefore, we recommend a "**Avoid**" rating for the issue.

Business Highlights & Services

The company has fully integrated spinning facility that ensures end-to-end control from raw cotton procurement to finished yarn packaging, resulting in lower costs, better quality consistency, and improved operational efficiency. Its adoption of advanced compact ring spinning technology and high-end European machinery enhances product quality, reduces defects, and supports premium realizations in domestic and export markets. The commissioning of in-house TFO twisting machines further strengthens vertical integration, boosts value-added product capabilities such as Eli Twist and Lycra-blended yarns, and is expected to improve margins through better cost control and faster turnaround. Backed by climate-controlled infrastructure, robust storage facilities, and digital process monitoring, the company ensures supply chain reliability and scalable production. With a diversified and customizable product portfolio catering to knitting, weaving, hosiery, and industrial segments, it is well-positioned to drive sustainable growth, margin expansion, and long-term competitive advantage.

The company has decade of industry experience and well-established relationships with institutional customers, bulk buyers, and merchant exporters. Its asset-light sales model, leveraging a network of eight third-party brokers and agents, enables wider market reach and efficient lead generation while maintaining a lean internal sales structure. Long-standing associations with reputed institutional clients such as Welspun Living Limited and Jindal Worldwide Limited reflect credibility, product quality, and execution reliability. Serving over 45 customers consistently in recent periods, with a meaningful proportion associated for more than four years, demonstrates customer stickiness, repeat business visibility, and revenue stability. and fosters long-term partnerships—enhancing sustainability and scalability of growth.

Its customer-centric and customization-driven approach further strengthens competitive positioning, supports premium realization.

The company's proactive shift toward renewable energy significantly strengthens its long-term investment appeal by structurally reducing power costs, improving energy security, and enhancing ESG positioning. With a 1.2 MW rooftop solar plant already operational, a 6.1 MW ground-mounted solar project (5 MW commissioned), and a proposed 4.2 MW wind power project for captive consumption, the company is strategically reducing dependence on grid power and insulating itself from tariff volatility and supply disruptions. This transition is expected to stabilize energy costs, improve operating margins, and enhance resilience as production scales. By diversifying its energy mix across solar and wind, the company reduces peak load risks and ensures sustainable operations across seasonal fluctuations. The use of IPO proceeds to fund these initiatives reflects disciplined capital allocation toward long-term cost efficiency and environmental stewardship, positioning the company as a forward-looking, ESG-aligned manufacturer with improved margin visibility and operational durability.

The company's rising working capital requirement reflects operational scale-up rather than demand weakness, driven by higher raw material stocking, finished goods inventory, and receivables to support growth. Management's structured approach optimizing inventory turnover through better forecasting, tightening receivable cycles, negotiating improved supplier credit terms, and leveraging cotton pledge financing demonstrates disciplined cash flow management. The planned allocation of IPO proceeds toward working capital further strengthens liquidity buffers, ensuring smooth operations without constraining growth. Regular monitoring of efficiency metrics is expected to improve the cash conversion cycle over time, enhancing financial resilience. Additionally, the company's relationship-driven business model, built on long-term customer and broker partnerships rather than transactional sales, supports repeat business, better demand visibility, and sustainable revenue growth creating a stable foundation for scalable and profitable expansion.

Gaudium IVF and Women Health Ltd. is well positioned to benefit from structural tailwinds in the fertility segment, driven by rising infertility rates, delayed parenthood, lifestyle changes, and increasing awareness of assisted reproductive technologies. Growing demand for IVF and related treatments provides strong volume visibility, while the company's scalable hub-and-spoke expansion strategy enables deeper penetration into underserved Tier 2 and Tier 3 markets, supporting long-term revenue growth. Strategic partnerships with pharmaceutical companies, research institutions, and healthcare organizations can further enhance innovation, clinical outcomes, and brand credibility. Additionally, improving government focus and potential insurance coverage for fertility treatments may enhance affordability and expand the addressable market. The rising acceptance of fertility preservation, particularly egg freezing among women delaying childbirth or undergoing medical treatments, opens a high-margin, recurring opportunity, strengthening the company's long-term growth and operating leverage potential.

The company has focus on operational excellence, supported by modern high-performance spinning infrastructure, advanced quality control systems, and in-house testing facilities that ensure consistent product quality and customer satisfaction. Ongoing investments in automation, process optimization, and resource efficiency are expected to reduce waste, lower production costs, and enhance margins without compromising quality. Its disciplined approach toward sustainable cost optimization and operational agility improves responsiveness to evolving market demands, supporting scalable and profitable growth in both domestic and export markets. Additionally, the planned utilization of IPO proceeds to partially repay debt taken from SIDBI for renewable energy projects reflects prudent capital allocation. This move will reduce interest burden, improve the debt-to-equity ratio, strengthen the balance sheet, and enhance financial flexibility—positioning the company for long-term growth with lower financial risk and stronger return ratios.

Domestic vs Export Revenue Split

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%
Domestic	118	90%	237	93.87%	164	71.54%	197	93.50%
Export	14	10%	15	6.13%	65	28.46%	14	6.50%
Total Revenue	**132**	**100%**	**253**	**100%**	**229**	**100%**	**210**	**100%**

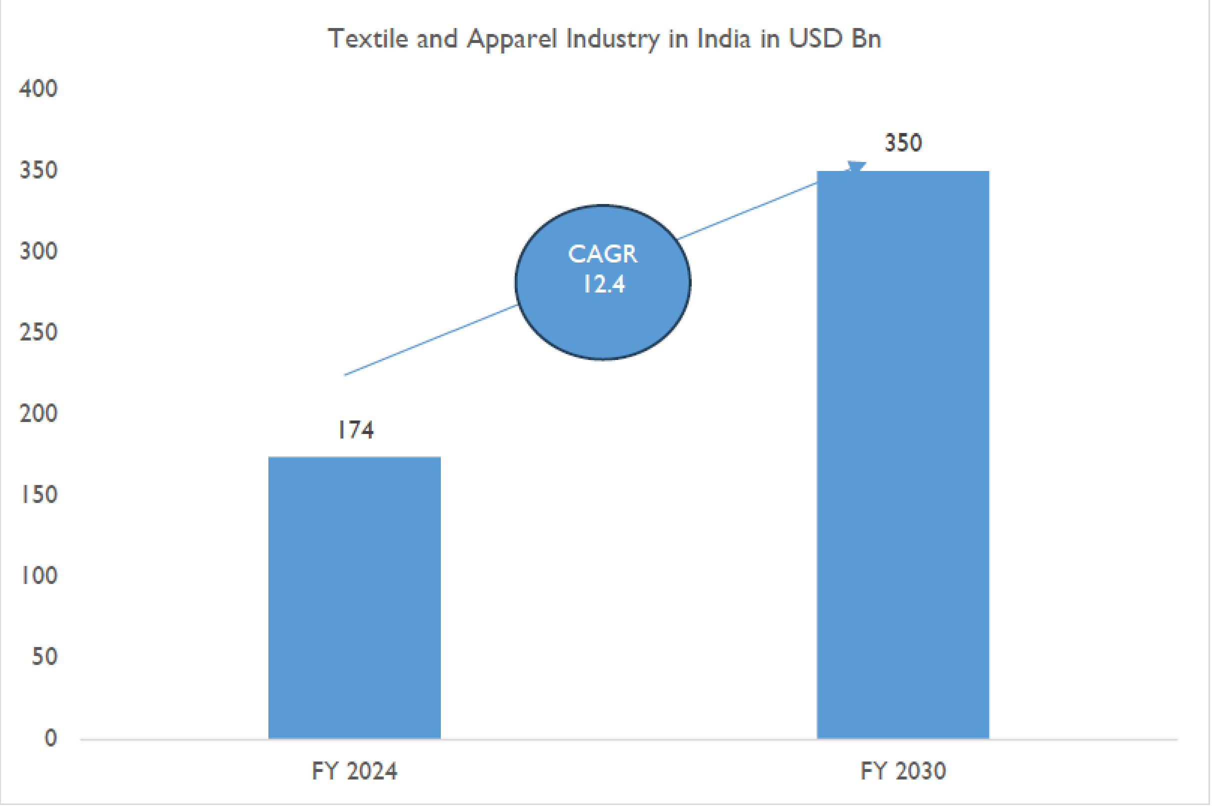
Product wise revenue breakups

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%
Carded Yarn	38	29%	130	51.35%	112	49.00%	106	50.38%
Combed Yarn	10	8%	16	6.15%	5	2.14%	0	0.12%
ELI Twist	34	25%	75	29.60%	84	36.72%	80	37.98%
Lyera Blended Yarn	0.5	0%	12	4.86%	20	8.53%	9	4.46%
Compact Slub Yarn	-	0%	0.2	0.08%	1	0.33%	0	0.05%
Cotton Waste	5	4%	9	3.47%	8	3.28%	9	4.25%
Viscose Cotton Mix Yarn	-	0%	-	0.00%	-	0.00%	4	1.75%
FP Bales	16	12%	7	2.62%	-	0.00%	2	1.01%
Open Yarn	-	0%	3	1.01%	-	0.00%	-	0.00%
Organic Yarn	28	22%	2	0.87%	-	0.00%	-	0.00%
Total Revenue	**132**	**100%**	**252**	**100%**	**229**	**100%**	**210**	**100%**

Top Customer wise revenue contribution

Particular	1HFY25		FY25		FY24		FY23	
	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%	Amount (In Cr)	%
Top 1 Customer	38	17%	83	17.31%	102	22.87%	78	18.87%
Top 5 Customer	82	36%	181	37.56%	153	34.36%	155	37.38%
Top 10 Customer	105	47%	217	45.13%	190	42.77%	182	43.75%
Total Revenue	**225**	**100%**	**481**	**100%**	**444**	**100%**	**416**	**100%**

Industry Outlook



Source: Invest India, D&B Research and Estimates

Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Shree Ram Twistex Ltd	**10**	**256**	**2.37**	**24.47**	**NA**	**9.11%**
Peers Group						
Ambika Cotton Mills Ltd	10	702	114	846	10.57	13.28%
Damodar Industries Ltd	5	421	2.32	56.62	13.58	4.08%
Rajapalayam Mills Ltd	10	898	-54	495	14.93	-10.99%

Company's Competitive Strength

- Fully integrated spinning infrastructure with modern technologies to support a diversified and value added product portfolio.
- Long standing relationships with key customers and are supported by a network of brokers and agents.
- Strategically located manufacturing facility with adequate storage facility and scope for future expansion.
- Track Record of healthy growth.
- Strong Promoters and Experienced Management Team.

Key Strategies Implemented by Company

- 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 our indebtedness.

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	29	29	29	12
Reserves and Surplus	51	45	37	49
Net Worth	81	74	67	61
Revenue	132	255	232	213
Growth (%)		10%	9%	
EBITDA	17	21	20	17
EBITDAM (%)	13%	8%	9%	8%
PAT	7	8	7	2
PATM (%)	5.3%	3.1%	3.0%	0.9%
ROE (%)	9.1%	11.4%	10.3%	3.6%
ROCE (%)	10.7%	13.4%	3.3%	2.7%

Notes

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