



SHREE RAM TWISTEX
LIMITED

Retail Research	: IPO Note
Sector	: Cotton Yarn Manufacturing
Price Band (INR)	:
Issue Type	: Bookbuilding IPO

About The Company

Ye company 100% cotton yarn manufacture karti hai, matlab yeh raw cotton ko process karke thread (dhaga) banati hai jo aage chal kar fabric aur kapde banane ke kaam aata hai. Company ka business model purely B2B (Business to Business) hai, yani yeh direct retail customers ko product nahi bechti, balki textile mills, fabric manufacturers aur garment exporters ko supply karti hai. Iska focus bulk production aur industrial buyers par hota hai, jahan quality, consistency aur timely delivery bahut important hoti hai.

Product portfolio ki baat karein to company sirf basic cotton yarn nahi banati, balki value-added yarns bhi produce karti hai jo better margin aur premium positioning dete hain. Combed yarn extra processing se guzarta hai, jis se yeh zyada smooth, strong aur premium quality ka hota hai, aur iska use high-end shirts, luxury bedsheets aur premium fabrics mein hota hai. Carded yarn comparatively basic processing se banta hai aur thoda rough finish deta hai, jo denim, casual wear aur home textiles mein use hota hai. Eli Twist ya Siro yarn double twisted structure ke karan zyada strong aur smooth hota hai, jo high-end shirting aur suiting ke liye suitable hai. Slub yarn intentionally uneven texture deta hai jo fashion denim aur designer fabrics mein vintage look create karta hai. Iske alawa Lycra blended yarn stretch aur comfort provide karta hai, jo leggings, sportswear aur stretch jeans mein use hota hai. Value-added yarns ka share badhne se company ko better realization aur margin mil sakta hai.

Manufacturing facility Gujarat ke Gondal, Rajkot mein located hai, jahan 17 compact ring spinning machines aur 27,744 spindles installed hain. Company ki annual production capacity lagbhag 9,855 metric tons hai aur plant 3 shifts mein 24x7 operate karta hai. Modern machinery Switzerland, Germany aur Italy jaise countries se import ki gayi hai, jo product quality aur efficiency ko enhance karti hai. Company ne Zero Liquid Discharge system implement kiya hai jo environment friendly approach ko dikhata hai. July 2024 se 1.2 MW ka rooftop solar plant operational ho chuka hai aur future mein 6.1 MW solar plant aur 4.2 MW windmill lagane ka plan hai, jisse electricity cost significantly kam ho sakti hai aur long-term margins improve ho sakte hain.

Spinning business mein electricity sabse bada cost component hota hai. Company ka contract demand 2.8 MW hai aur FY24 mein annual power cost ₹1,717 lakh rahi, jiska average tariff ₹8.92 per unit tha. Renewable energy projects se monthly electricity expense kam hoga aur future profitability par positive impact padega, jo investor ke perspective se strong positive factor hai.

Raw material side par main input cotton bales hai, jo Gujarat, Maharashtra, Madhya Pradesh aur Haryana se procure kiye jate hain. Cotton prices highly volatile hote hain aur company ke paas long-term fixed price contracts nahi hain. Sirf 6 suppliers milkar lagbhag 70% purchase supply karte hain, jisse supplier concentration risk bhi exist karta hai. Agar cotton prices achanak badh jate hain, to margin par direct pressure pad sakta hai.

Issue Details	
IPO Open Date	23-Feb-26
IPO Close Date	25-Feb-26
Price Band (Rs)	₹95 to ₹104
Lot Size	144 Shares
Issue Size (Rs Cr)	1,06,00,000 shares
Face Value	₹10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	BSE, NSE
Share Holding Pre Issue	2,93,75,000 shares
Share Holding Post Issue	3,99,75,000 shares
QIB	75.00%
Retail Share	10.00%
NII Share	15.00%
Promoter Holding Pre Issue	47.07%
Promoter Holding Post Issue	

Shareholding Pattern (%)	
Bhaveshbhai Ramani	20.71
Jaybhai Tilala	4
Nidhiben Kothari	11
Bhavnaben Tilala	2.15
Mohit Tilala	1.86
Atulbhai Tilala	2.43
Atulbhai Govindbhai Tilala (HUF)	2.49
Ramani Bhaveshbhai Bhikhubhai (HUF)	2.36

Objects of the Issue	Estimated Amount (INR Cr.)
Funding for setting up of 6.1 MW Solar Power Plant for captive use	7.85
Funding for setting up of 4.2 MW Wind Power Plant for captive use	39
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	14.89
Funding the working capital requirements of our Company	44



About The Company

Customer base mein kuch bade naam shamil hain jaise Welspun Living Limited aur Jindal Worldwide Limited. Top 10 customers milkar lagbhag 83%–89% revenue contribute karte hain, jo high customer concentration risk ko dikhata hai. Agar koi major customer order kam kar de ya relationship khatam ho jaye, to revenue par significant impact pad sakta hai.

Financial performance dekhein to revenue growth slow rahi hai. FY22 mein revenue ₹21,797 lakh tha jo FY24 mein badhkar ₹23,159 lakh hua, yani CAGR lagbhag 2% raha. Lekin Profit After Tax FY22 ke ₹363 lakh se badhkar FY24 mein ₹655 lakh ho gaya, jo lagbhag 21% CAGR ko show karta hai. Iska matlab company ne cost control, efficiency improvement aur better product mix se profitability improve ki hai, bhale hi revenue growth moderate rahi ho. Volume bhi FY22 ke ~9,697 MT se badhkar FY24 mein ~10,668 MT ho gaya, jo stable demand aur gradual growth ko indicate karta hai.

Strengths ki baat karein to company ke paas fully integrated plant hai, value-added yarn portfolio hai, renewable energy expansion plan hai, modern technology hai aur long-term customer relationships hain. Yeh sab long-term sustainability ko support karte hain. Lekin risks bhi significant hain, jaise Gujarat par heavy revenue dependency (~85%+), top customers par 80%+ reliance, cotton price volatility aur high working capital requirement kyunki inventory heavy business hai.

Aage ki strategy mein company renewable energy capacity expand karna chahti hai taaki power cost kam ho, working capital cycle optimize karna chahti hai taaki cash flow improve ho, debt reduce karna chahti hai taaki balance sheet strong ho aur operational efficiency enhance karna chahti hai taaki margin sustainable tarike se improve ho sake. Overall, yeh ek cost-sensitive, commodity-linked business hai jahan efficiency aur risk management hi long-term success ka main driver hoga.

RISK

Business & Operational Risks

1 Customer Concentration Risk

Company ka major revenue sirf 2–3 bade customers par dependent hai. Agar koi key customer orders kam kar de, relationship terminate kar de ya payment delay kare, toh revenue aur profit par direct impact padega. Yeh high concentration risk hai.

2 Geographic Concentration Risk (Gujarat Risk)

Company ka manufacturing plant Gujarat mein located hai aur revenue ka bhi bada hissa Gujarat se aata hai. Agar state-level policy change, strike, natural calamity ya industrial disruption ho jaye, toh pura operation impact ho sakta hai. Geographic diversification limited hai.

3 Supplier & Cotton Price Risk

Main raw material cotton bales hai, jo limited suppliers se procure hota hai. Cotton price volatility, crop failure ya supply disruption se raw material cost badh sakti hai, jis se margins par pressure aayega.

4 Quality Risk

Company B2B model par kaam karti hai jahan institutional buyers strict quality standards demand karte hain. Agar yarn quality issue, rejection ya specification mismatch ho jaye, toh order cancellation, customer loss aur reputation damage ho sakta hai.

5 Inventory & Demand Forecasting Risk

Galat demand estimation se excess inventory ho sakta hai (working capital block) ya insufficient inventory ho sakti hai (order miss). Dono situations cash flow ko impact kar sakti hain.

6 Broker Dependency Risk

Company apni sales brokers ke through karti hai. Agar broker relationship weak ho jaye ya broker competitor ko preference de, toh sales negatively impact ho sakti hai.

7 Product Concentration Risk

Revenue mainly Carded, Combed aur ELI Twist yarn par dependent hai. Agar in products ki demand ya pricing weak ho jaye, toh revenue directly impact hoga.

8 Payment Delay Risk

Textile industry mein receivable cycle long hota hai. Customer payment delay se working capital requirement badhegi aur borrowing increase ho sakti hai.

9 Competition Risk

Domestic spinning mills, international suppliers aur synthetic yarn manufacturers se competition high hai. Synthetic fabric demand badhne se cotton yarn demand impact ho sakti hai.

10 Single Plant Risk

Company ke paas sirf ek manufacturing facility hai. Fire, machinery breakdown, strike ya natural disaster se pura production temporarily band ho sakta hai.



RISK

1 1 Capacity Utilization Risk

Agar plant full capacity par operate nahi karta, toh fixed cost burden high rahega aur margins compress ho sakte hain.

1 2 Transportation Dependency Risk

Raw material aur finished goods movement ke liye third-party transporters par dependence hai. Strike ya logistics disruption se delivery delay aur revenue loss ho sakta hai.

1 3 Electricity Risk

Manufacturing electricity-intensive hai. Power shortage ya tariff increase se cost structure impact ho sakta hai.

1 4 Solar & Wind Project Risk

Renewable energy projects (solar & wind) mein delay, cost overrun ya lower-than-expected savings se ROI impact ho sakta hai.

🏠 Financial Risks

1 5 Working Capital Risk

Spinning business high inventory aur receivable cycle par dependent hota hai. Working capital mismanagement se liquidity crisis ho sakta hai.

1 6 Credit Rating Risk

Future funding ke liye credit rating important hai. Rating downgrade hone par borrowing cost badh sakti hai.

1 7 Negative Cash Flow Risk

Past mein operating cash flow negative raha hai. Future mein bhi aisa hua toh financial stability impact ho sakti hai.

1 8 Lenders’ Charge & Covenant Risk

Company ki assets lenders ke paas collateral hain. Loan covenant breach hone par loan recall ho sakta hai aur assets sell karne pad sakte hain.

1 9 Dividend Uncertainty

Dividend payment future profitability, cash flow aur loan conditions par depend karega. Regular dividend ki guarantee nahi hai.

2 0 Future Dilution Risk

Future mein naye shares issue hone se existing shareholders ka ownership dilute ho sakta hai.

🏢 Governance & Management Risks

2 1 Promoter Dependency Risk

Company promoters aur key management par heavily dependent hai. Unka exit ya non-performance business ko impact kar sakta hai.

2 2 Promoter Majority Control

IPO ke baad bhi promoters majority control retain karenge, jis se minority shareholders ka influence limited hoga.

2 3 Related Party Transactions Risk

Promoters ya group entities ke saath transactions future mein conflict of interest create kar sakte hain.

2 4 Internal Control Risk

Weak internal controls se fraud, compliance issue ya financial misstatement ka risk hota hai.

2 5 Employee Misconduct Risk

Employee fraud, negligence ya unethical activity se financial aur reputational damage ho sakta hai.

2 6 Skilled Manpower Risk

Skilled workforce ko attract aur retain na kar paane se operational efficiency impact ho sakti hai.

2 7 Directors’ Listed Experience Risk

Board members ko listed company compliance ka limited experience hai, jo governance challenges create kar sakta hai.

🏛️ Regulatory & Legal Risks

2 8 Legal Proceedings Risk

Ongoing legal cases ka adverse outcome financial loss ya penalty mein convert ho sakta hai.

2 9 Regulatory Compliance Risk

Factory license, pollution clearance aur statutory approvals maintain na karne par plant temporarily band ho sakta hai.

3 0 Statutory Dues Delay Risk

Tax, PF ya other statutory dues mein delay penalty aur legal exposure create kar sakta hai.

3 1 Government Policy Risk

MSP changes, cotton subsidy modification ya textile export policy change se raw material cost aur demand impact ho sakti hai.

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RISK

3 2 Changing Tax & Law Risk
Future tax reforms ya regulatory changes se profitability par adverse impact ho sakta hai.

Market & External Risks
3 3 Economic & Political Instability
Economic slowdown, inflation ya political instability se overall textile demand impact ho sakti hai.

3 4 Inflation Risk
Inflation badhne se cotton cost, salary expense aur overall cost structure increase hoga.

3 5 Natural Calamity Risk
Flood, earthquake, cyclone ya fire se plant aur operations damage ho sakte hain.

3 6 Exchange Rate Risk
Currency fluctuation export demand aur foreign investor returns ko indirectly impact kar sakta hai.

3 7 Sovereign Rating Downgrade Risk
India ki sovereign rating downgrade hone se financing cost aur investment flow impact ho sakta hai.

IPO & Share Market Risks
3 8 No Trading History Risk
Shares pehle public market mein trade nahi huye hain. Listing ke baad price volatility high ho sakti hai.

3 9 Issue Price Risk
IPO issue price future market price ki guarantee nahi deta. Listing ke baad share price gir sakta hai.

4 0 Surveillance Measures Risk
Stock exchange ASM/GSM measures laga sakta hai, jis se liquidity aur trading restrict ho sakti hai.

4 1 Non-GAAP Financial Measures Risk
Prospectus mein diye gaye non-GAAP numbers dusri companies se directly comparable nahi ho sakte.

4 2 Shareholder Rights Limitation
Indian laws ke under shareholder rights kuch developed markets se limited ho sakte hain.

Our operation	For Nine-month period ended December 31, 2024		For Fiscal 2024		For Fiscal 2023		For Fiscal 2022	
	Revenue from Operations	% of revenue from operation	Revenue from Operations	% of revenue from operation	Revenue from Operations	% of revenue from operation	Revenue from Operations	% of revenue from operation
Sale of Products:								
Carded Yarn^	7,526.99	49.68%	11,211.02	48.99%	10,594.14	50.37%	15,399.83	71.74%
Combed Yarn^	1,531.06	10.11%	489.66	2.14%	26.24	0.12%	5,182.10	24.14%
ELI Twist Yarn	4,378.78	28.90%	8,401.84	36.72%	7,987.34	37.98%	0.00	0.00%
Lycra Blended Yarn	822.27	5.43%	1,952.32	8.53%	938.93	4.46%	2.01	0.01%
Compact Slub Yarn	21.66	0.14%	75.62	0.33%	10.28	0.05%	0.00	0.00%
Others								
Cotton Waste	614.35	4.06%	751.74	3.29%	893.20	4.25%	881.39	4.11%
Viscose Cotton Mix Yarn	-	0.00%	0.00	0.00%	368.72	1.75%	0.00	0.00%
FP Bales	-	0.00%	0.00	0.00%	212.19	1.01%	0.00	0.00%
Open Yarn (Oe)	255.12	1.68%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Gross Sales	15,150.23	100.00%	22,882.21	100.00%	21,031.05	100.00%	21,465.33	100.00%
Add/(Less):								
Debit note/Credit note*	(68.78)	-	40.04	-	17.84	-	23.07	-
Net Sales	15,081.45	100.00%	22,922.26	100.00%	21,048.90	100.00%	21,488.40	100.00%

As certified by our Statutory Auditor vide certificate dated June 16, 2025.
^Carded yarn and combed yarn collectively termed as Cotton Compact Ring Spun and Carded Yarns.
*Debit and credit notes are issued to customers to account for invoice settlements, or agreed discounts.

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Particulars	(₹ in lakhs, except percentages)							
	Nine-month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations
Domestic	13,858.39	91.89%	16,398.94	71.54%	1,9679.22	93.49%	16,316.42	75.93%
Exports (through merchant exporter)	1,223.06	8.11%	6,523.31	28.46%	1,369.68	6.51%	5,171.98	24.07%
Net Sales	15,081.45	100.00%	22,922.26	100.00%	21,048.90	100.00%	21,488.40	100.00%

As certified by our Statutory Auditor vide certificate dated June 16, 2025.
Note: Export sales were undertaken opportunistically, typically during periods of low domestic demand or to meet export obligations. As a result, export revenues are not consistent year-on-year.

(₹ in lakhs expect per share data or unless otherwise specified)				
Particulars	For the nine-month period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Financial Performance Indicators				
Revenue from Operations ⁽¹⁾	15,259.91	23,159.12	21,310.25	21,797.20
EBITDA ⁽²⁾	1,783.78	2,018.53	1,740.16	1,801.79
EBITDA Margin (%) ⁽³⁾	11.69	8.72	8.16	8.27
Profit after Tax (PAT) ⁽⁴⁾	6,961.37	655.25	205.08	363.76
PAT Margin (%) ⁽⁵⁾	4.56	2.83	0.96	1.67
Total Borrowings ⁽⁶⁾	5,140.08	6,704.46	5,570.05	5,696.20
Net Worth ⁽⁷⁾	7,318.08	6,679.86	6,111.05	5,387.33
Return on Equity (ROE) (%) ⁽⁸⁾	9.95	10.25	3.57	6.94

Particulars	(₹ in lakhs)											
	Nine-month period ended December 31, 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
	No. of Repeat Customers	Revenue from repeat customers	% of revenue from operations	No. of Repeat Customers	Revenue from repeat customers	% of revenue from operations	No. of Repeat Customers	Revenue from repeat customers	% of revenue from operations	No. of Repeat Customers	Revenue from repeat customers	% of revenue from operations
Revenue from repeated customers	5	9,074.55	59.47 %	6	15,333.82%	66.21	6	14,141.73	66.36 %	6	14,950.54	68.59 %
Total	5	9,074.55	59.47 %	6	15,333.82%	66.21	6	14,141.73	66.36 %	6	14,950.54	68.59 %

As certified our Statutory Auditors, by way of their certificate dated June 16, 2025.

(₹ in lakhs)				
Particulars	Nine-month period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Expenses towards purchase of raw materials	11,746.47	17,631.29	15,571.01	17,864.88
Total Revenue	15,259.91	23,159.12	21,310.25	21,797.20
% of revenue from operation	76.98 %	76.13%	73.07%	81.96%

As certified by our Statutory Auditor vide certificate dated June 16, 2025.

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Particulars	Nine month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations
Top 5 suppliers	8,191.44	74.08%	10,707.92	61.71%	8,097.62	47.59%	14,226.47	81.33%
Top 10 suppliers	9,840.95	88.99%	14,198.66	81.84%	10,768.21	63.28%	11,832.08	67.64%
Total Purchase	11,058.38	100%	17,352.66	100%	17,018.13	100%	17,490.85	100%

As certified by our Statutory Auditor vide certificate dated June 16, 2025

(₹ in Lakhs)								
Our operation	Revenue as on December 31, 2024	As % of Revenue from Operation	Revenue as on March 31, 2024	As % of Revenue from Operation	Revenue as on March 31, 2023	As % of Revenue from Operation	Revenue as on March 31, 2022	As % of Revenue from Operation
State name								
Gujarat	13,834.64	91.73%	19,058.24	83.14%	18,016.78	85.59%	18,955.05	88.21%
Haryana	46.27	0.31%	19.96	0.09%	0	0.00%	54.48	0.25%
Rajasthan	15.56	0.10%	415.56	1.81%	2,182.1	10.37%	319.32	1.49%
West Bengal	0	0.00%	0	0.00%	0	0.00%	158.04	0.74%
Maharashtra	688.13	4.56%	2,201.85	9.61%	402.71	1.91%	1,495.53	6.96%
Karnataka	0	0.00%	96.24	0.42%	220.55	1.05%	161.29	0.75%
Tamil Nadu	0	0.00%	89.2	0.39%	0	0.00%	344.69	1.60%
Madhya Pradesh	0	0.00%	0	0.00%	84.2	0.40%	0	0.00%
Our operation	Revenue as on December 31, 2024	As % of Revenue from Operation	Revenue as on March 31, 2024	As % of Revenue from Operation	Revenue as on March 31, 2023	As % of Revenue from Operation	Revenue as on March 31, 2022	As % of Revenue from Operation
Dadra & Nagar Haveli	0	0.00%	0	0.00%	142.56	0.68%	0	0.00%
Punjab	496.85	3.29%	1,041.21	4.54%	0	0.00%	0	0.00%
Net Sales	15,081.45	100.00%	22,922.26	100.00%	21,048.90	100.00%	21,488.40	100.00%

(₹ in lakhs, except percentages)								
Particulars	Nine month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations
Domestic Sales	13,858.39	91.89%	16,398.94	71.54%	1,9679.22	93.49%	16,316.42	75.93%
Exports Through Merchant Exporter [#]	1,223.06	8.11%	6,523.31	28.46%	1,369.68	6.51%	5,171.98	24.07%
Total	15,081.45	100.00%	22,922.26	100.00%	21,048.90	100.00%	21,488.40	100.00%

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Note: Export sales were undertaken opportunistically, typically during periods of low domestic demand or to meet export obligations. As a result, export revenues tend to vary and are not consistent year-on-year.

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Particulars	Nine-month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations	Revenue from Operations	% of revenue from operations
Top 5 customers	11,381.97	75.47%	15,271.96	66.63%	15,535.32	73.79%	15,394.71	71.64%
Top 10 customers	13,563.48	89.93%	19,010.50	82.94%	18,180.67	86.36%	18,020.65	83.86%
Total Sales	15,081.45	100%	22,922.26	100%	21048.90	100%	21,488.4	100%

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