IPO Note

AASTHA SPINTEX LIMITED

JUN 29th, 2026

June 29th, 2026

Details of the Issue	
Price Band	₹ 125 - ₹ 136
Issue Size	₹ 170 Cr
Face Value	₹ 10
Bid Lot	110
Listing on	BSE,NSE
Investment Range	₹ 13,750 - ₹ 14,960

Important Indicative Dates (2025)	
Opening	29 - Jun
Closing	01 - Jul
Basis of Allotment	02 - Jul
Refund Initiation	03 - Jul
Credit to Demat	03 - Jul
Listing Date	06 - Jul

Lead Manager
BOI Merchant Bankers Ltd
PNB Investment Services Ltd

Offer Details	
Offer Size	₹ 170 Cr
Fresh Issue	₹ 170 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	34	2.50	2.72	20
NII	68	5.00	5.44	40
Retail	68	5.00	5.44	40
Employ.	-	-	-	-
Total	170	12.50	13.60	100

Invest Now

Company Profile

Aastha Spintex Ltd. is engaged in the manufacturing and trading of carded, combed, and compact combed cotton yarns, along with cotton bales and cotton yarn waste. Operating from its semi-automated, integrated spinning and ginning facility in Halvad, Gujarat, the company serves diverse textile applications across knitting and weaving segments, including denim, home textiles, apparel, industrial fabrics, and terry towels. Its cotton bales are used both for captive yarn production and external sales to spinning units, while yarn waste is recycled within the textile value chain. Backed by a fully integrated manufacturing setup, renewable energy infrastructure, strategic location with expansion potential, long-standing customer relationships, and an experienced promoter-led management team, the company has delivered strong financial and operational performance, supported by a workforce of 205 employees as of December 2025.

GEPL's Insights & Investment Thesis:

- Aastha Spintex Ltd serves diverse textile applications across knitting and weaving segments, including denim, home textiles, apparel, industrial fabrics, and terry towels. However, the company is significantly dependent on 7 Seas Impex for majority of its sales outside Gujarat and exports.
- Despite being profitable in FY2025 and 9M FY2026, the company has been reporting negative cash flows due to higher working capital requirements.
- Based on the FY27 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 26x. The issue is over valued compared to its peers, has negative cash flow from operations, faces dependency risk for exports. Therefore, we recommend a "**Avoid**" rating for the issue.

Business Highlights & Services

Aastha Spintex is entering its next phase of growth through the acquisition of Falcon Yarns, which will increase its spinning capacity by ~127% from 7,700 MT to 17,457 MT per annum. This acquisition strengthens its product portfolio, expands its customer reach, enhances value-chain integration, and reduces business concentration risks, positioning the company for sustained revenue and earnings growth. The company has consistently invested in capacity enhancement and operational improvements, including renewable energy-based captive power infrastructure. These initiatives have lowered power costs, improved profitability, and enhanced competitiveness. The integrated spinning and ginning setup further provides cost efficiencies, quality control, and supply chain advantages. With over a decade of industry experience, Aastha Spintex has built long-standing relationships with key customers such as 7 Seas Impex and Elkins Tradelink. Its customer-centric approach, focus on customized products, and growing presence in domestic and export markets provide strong revenue visibility. The Falcon acquisition is expected to broaden the customer base and geographical footprint, supporting future organic growth and strengthening market positioning.

Aastha Spintex operates a strategically located integrated manufacturing facility in Gujarat's cotton belt, with only ~46% of its 65,762 sq. m. land currently utilized, providing substantial room for future capacity expansion.

Its proximity to raw material sources, major highways, ports, and logistics hubs ensures efficient procurement, lower transportation costs, faster deliveries, and enhanced scalability, supporting long-term growth. The company has built a strong renewable energy ecosystem comprising 1 MW rooftop solar, 4 MW ground-mounted solar, and 2.7 MW wind power capacity, collectively meeting nearly 80% of its power requirements. This reduces dependence on grid electricity, lowers operating costs, protects margins from energy price volatility, strengthens profitability.

The acquisition of Falcon Yarns marks a significant growth milestone, increasing Aastha Spintex's spinning capacity by ~127% from 7,700 MT to 17,457 MT per annum. The addition of Falcon's established manufacturing operations and revenue base is expected to enhance production scale, strengthen order-book visibility and accelerate revenue growth. The company follows a disciplined acquisition-led growth strategy focused on expanding capabilities, broadening its product portfolio, strengthening value-chain integration, and diversifying its customer base. Strategic acquisitions provide a scalable platform for entering new markets, reducing business concentration risks, and enhancing long-term competitive positioning. It aims to combine inorganic expansion with organic growth by leveraging enhanced manufacturing capacity, wider customer relationships, and improved operational efficiencies. The company’s focus on expanding domestic and export presence, building strategic partnerships, and continuously evaluating growth opportunities is expected to support sustainable earnings growth and strengthen its position within the textile value chain.

Aastha Spintex is strategically expanding beyond its Gujarat-centric sales base by increasing direct sales across India and international markets. This expansion is expected to diversify revenue streams, widen its customer base, improve brand visibility, reduce regional concentration risk, and drive higher sales volumes over the medium term. The company continues to invest in modern spinning infrastructure, automation, and advanced quality control systems to improve manufacturing efficiency and product consistency. These initiatives are expected to optimize resource utilization, reduce wastage, lower production costs, and support margin expansion while maintaining stringent quality standards. With a strong emphasis on product quality, in-house testing capabilities, and process automation, Aastha Spintex is well-positioned to meet evolving customer requirements and respond quickly to market demand. Its focus on operational agility, sustainable cost management, and continuous capacity enhancement provides a solid foundation for long-term growth and strengthens its competitiveness in both domestic and global textile markets.

Segmental wise revenue mix

Particular	9MFY25		FY25		FY24		FY23	
	INR (Cr)	% of revenue	INR (Cr)	% of revenue	INR (Cr)	% of revenue	INR (Cr)	% of revenue
Sale of Product (Manufacturing)								
Cotton Yarn	106.03	34.13%	166.60	48.47%	168.71	165.68%	185.67	79.03%
Cotton Bales	152.54	49.11%	115.29	33.54%	58.12	57.08%	13.09	5.57%
Sub-total	**258.57**	**83.24%**	**281.89**	**82.02%**	**32.65**	**32.06%**	**198.76**	**84.61%**
Sale of Product (Trading)								
Cotton Yarn	20.48	6.59%	17.24	5.01%	40.11	39.39%	8.76	3.73%
Cotton Bales	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Sub-total	**20.48**	**6.59%**	**17.24**	**5.01%**	**40.11**	**39.39%**	**8.76**	**3.73%**
Sale of Cotton waste								
Cotton Waste by Product	31.58	10.17%	45	12.97%	29.07	28.55%	27.40	11.67%
Total	**311**	**100%**	**344**	**100%**	**102**	**100%**	**235**	**100%**

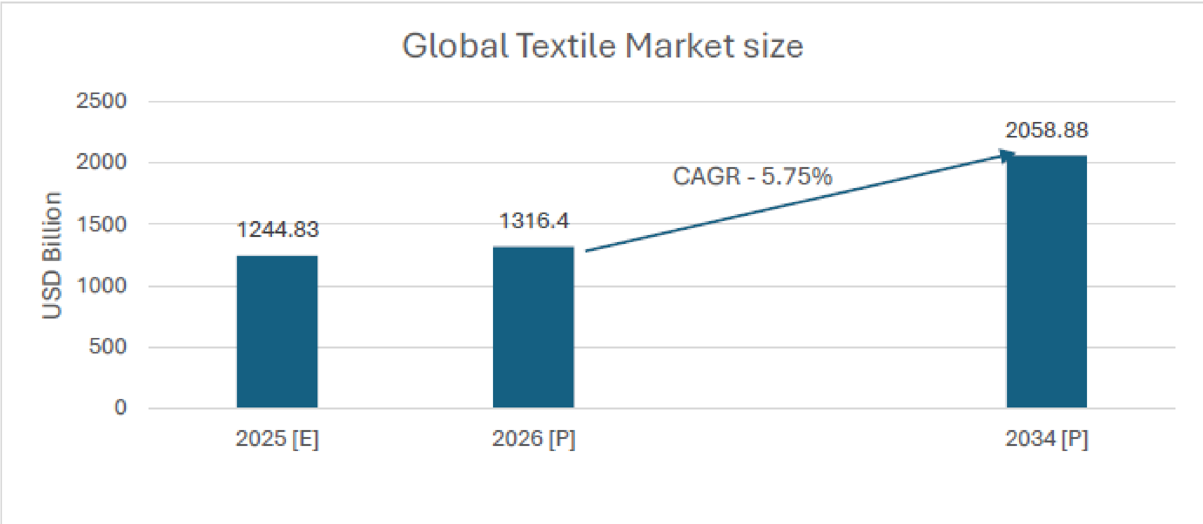
Capacity Utilization Trend

Product Segment	9MFY26			FY25			FY24			FY23		
	Installed Capacity (MT)	Production (MT)	Capacity utilisation (%)	Installed Capacity (MT)	Production (MT)	Capacity utilisation (%)	Installed Capacity (MT)	Production (MT)	Capacity utilisation (%)	Installed Capacity (MT)	Production (MT)	Capacity utilisation (%)
Cotton Yarns	5800	5134	88.52	7700	7436	96.57	7700	7361	95.60	6400	6137	95.89
Cottons Bales	9000	6797	75.52	12000	9897	82.48	12000	9526	79.38	12000	8531	71.09

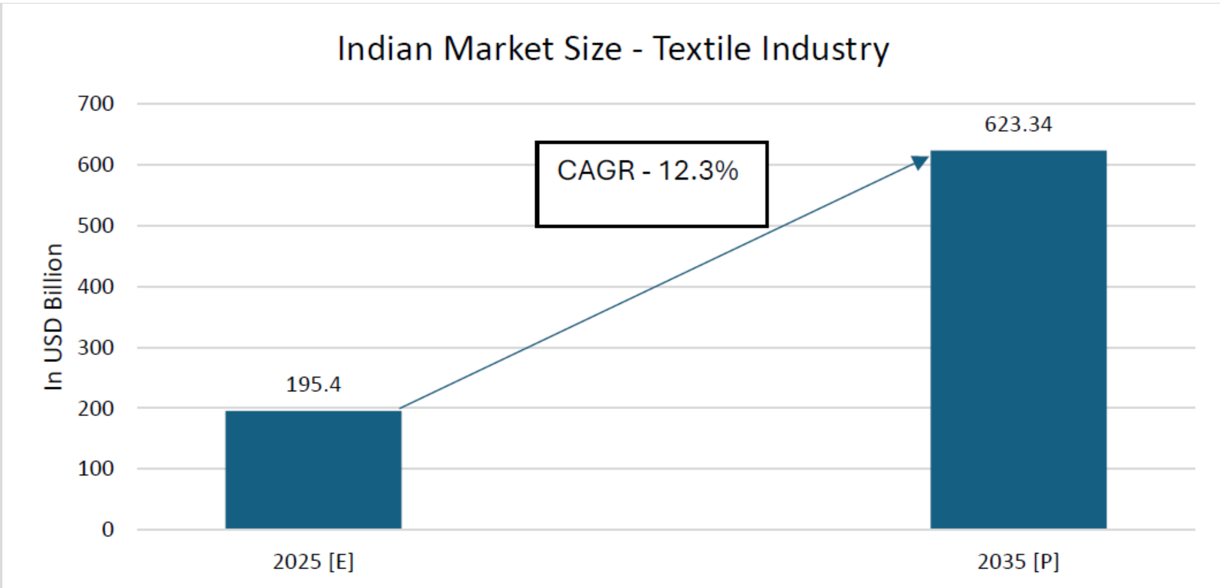
New vs Repeat Customer

Particular	9MFY26		FY25		FY24		FY23	
	No. of Customer	%	No. of Customer	%	No. of Customer	%	No. of Customer	%
Repeat Customers	69	48%	40	17%	32	41%	42	49%
New Customers	76	52%	191	83%	46	59%	43	51%
Total Customer	**145**	**100%**	**231**	**100%**	**78**	**100%**	**85**	**100%**

Industry Outlook



Source: Infomerics Analytics & Research. Note: E (Estimated, F (Forecasted)



Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RONW(%)
Astha Spintex Ltd	**10**	**313**	**8.29**	**43.80**	**NA**	**18.49**
Peers Group						
Ambika Cotton Ltd	10	702	114	1,579	14.25	7.27
Lagnam Spintex Ltd	10	606	7.28	68.41	11.15	10.64
Pashupati Cotspin Ltd	1	637	0.82	9.78	106	8.35

Company's Competitive Strength

- The Company is focused on growth through a balanced strategy that includes inorganic growth via strategic acquisitions and organic growth by expanding its core operations and capabilities.
- Long standing relationship with key customers.
- Strategically located manufacturing facility with adequate storage facility and scope for future expansion.
- Renewable Energy Infrastructure Enabling Sustainable and Cost-Efficient Manufacturing.
- Delivering growing financials and operating metrics.
- Experienced Promoters and Management Team.

Key Strategies Implemented by Company

- Focus on growth through organic and inorganic acquisitions.
- To expand the customer base and geographical footprint.
- Operational Efficiency and Manufacturing Excellence.

Particular (INR in Cr)	9MFY26	FY25	FY24	FY23
Equity Capital	32	30	27	27
Net Worth	153	121	76	60
Revenue	314	352	305	239
Growth (%)		16%	27%	
EBITDA	35	46	34	12
EBITDAM (%)	11%	13%	11%	5%
PAT	18	23	16	1
PATM (%)	5.6%	6.5%	5.3%	0.4%
ROE (%)	11.5%	18.9%	21.3%	1.8%
ROCE (%)	12.1%	18.9%	19.0%	4.6%

Notes

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