AASTHA™
SPINTEX

AASTHA SPINTEX LTD

Price Band	Issue Opens
₹125 to ₹136	29 Jun to 1 Jul, 2026

Face Value	Issue Size	Lot Size	Listing At
₹10	₹170 Cr	110 Shares	NSE, BSE

Aastha Spintex Ltd Info

Issue Size	1,25,00,000 shares / ₹170 Cr
Fresh Issue	1,25,00,000 shares / ₹170 Cr
Offer for Sale	N/A
Retail Quota	Not less than 40% of the Net Issue
Retail Min/Max	₹14,960 / ₹1,94,480

Aastha Spintex ltd Timeline

Tentative Allotment	Thu, Jul 2, 2026
Initiation of Refunds	Fri, Jul 3, 2026
Credit of Shares to Demat	Fri, Jul 3, 2026
"Aastha Spintex ltd" Listing Day	Mon, Jul 6, 2026

Objects of The Offer

The Company intends to utilize the net proceeds from the Issue towards the following objects:

a. **Acquisition of Falcon Yarns Private Limited**
   - Funding the part payment of the purchase consideration for the acquisition of 100% equity shares of Falcon Yarns Private Limited.
   - The Company proposes to utilize ₹11,151 lakh for this purpose.

b. **Funding Working Capital Requirements**
   - Providing inter-corporate deposits to support the working capital requirements of Falcon Yarns Private Limited.
   - An amount of ₹1,000 lakh is proposed to be utilized for this objective.

c. **General Corporate Purposes**
   - The remaining net proceeds will be utilized towards general corporate purposes, including business requirements and strategic initiatives.
   - The amount allocated for this purpose shall not exceed 25% of the gross proceeds of the Issue.

About The Company and Business Overview

Aastha Spintex Limited is an integrated cotton yarn manufacturing company engaged in the production and sale of cotton yarns, cotton bales, and related by-products. The company operates a semi-automated ginning and spinning facility located at Halvad, Morbi, Gujarat, enabling it to undertake the entire value chain from cotton processing to yarn manufacturing.

Product Portfolio

The company primarily manufactures 100% cotton yarns in counts ranging from Ne 26 to Ne 40, catering to diverse quality and application requirements. Its product portfolio includes:

- **Combed Compact Yarn:** Premium-quality yarn characterized by higher strength, uniformity, and smoothness.
- **Combed Yarn:** Used in finer textile applications requiring better yarn quality.
- **Carded Yarn:** Suitable for applications where cost efficiency and standard quality are required.
- **Cotton Bales:** Produced through the ginning process and utilized for captive consumption as well as external sales.

Source: RHP

In addition, the company generates revenue from the sale of various by-products:
- **Cotton Seeds:** Sold to edible oil manufacturers and animal feed industries.
- **Cotton Waste:** Including comber waste, licker-in waste, and hard waste, which are supplied to manufacturers of non-woven fabrics and open-end yarn.

Manufacturing Operations
The company operates an integrated ginning and spinning manufacturing facility in Halvad, Gujarat. The facility is strategically situated near major cotton-growing regions, ensuring easy access to raw materials and reducing transportation costs.

The manufacturing plant operates on a 24-hour, three-shift basis throughout the year, enabling efficient utilization of installed capacity and higher operational productivity.

Renewable Energy Integration
Aastha Spintex has made significant investments in renewable energy infrastructure to reduce power costs and improve sustainability. Its renewable energy assets include:
- 1 MW rooftop solar power plant
- 4 MW ground-mounted solar power plant
- 2.7 MW wind power plant

These renewable energy sources collectively meet approximately 80% of the company's power requirements, resulting in lower energy costs and improved operating efficiency.

Business Model
The company follows a Business-to-Business (B2B) model and supplies its products directly to textile manufacturers, fabric processors, yarn exporters, and bulk buyers.
For customers located within Gujarat, the company generally undertakes direct sales. Sales outside Gujarat and export transactions are primarily conducted through its marketing and distribution partner, 7 Seas Impex.

End-Use Industries
The company's cotton yarn products find applications across both weaving and knitting segments and are used in the manufacturing of:
- Denim fabrics
- Terry towels
- Shirting and sheeting fabrics
- Sweaters and hosiery products
- Socks and bottom wear
- Home textiles
- Luxury textiles
- Industrial fabrics

Overall, Aastha Spintex operates an integrated and energy-efficient cotton yarn manufacturing business with a diversified product portfolio, strong raw material sourcing advantages, and an established presence in the domestic textile value chain.

Source : RHP

Brief profile of the Directors

- **Patel Divyang Jashvantbhai** is serving as the Promoter, Chairman and Managing Director of the Company. He has completed his Higher Secondary education. He has over a decade of experience in the textile industry.
- **Gothi Vivek Rasiklal** is serving as the Promoter and Whole-time Director of the Company. A Certificate in Corporate Finance from the London School of Business and Finance, London, was obtained by him. He has over a decade of experience in the textile industry.
- **Jashvantbhai Valjibhai Patel** is serving as the Promoter and Executive Director of the Company. He completed his Higher Secondary education from Navi Gujarati School. He has over a decade of experience in the textile industry.
- **Amrutiya Pankajkumar Chaturbhai** is serving as a Non-Executive Director of the Company. He completed the Secondary School Certificate examination from Sree Rasiklal Sheth Boys' High School, Morbi. He has over two decades of experience in the manufacturing sector.
- **Anant Bharatbhai Bhatt** is serving as an Independent Director of the Company. A Bachelor of Commerce degree from Gujarat University, Ahmedabad, was obtained by him. He is an Associate Member of the Institute of Company Secretaries of India and has over 9 years of experience in corporate secretarial and compliance functions.
- **Vora Indira Suresh** is serving as an Independent Director of the Company. A Bachelor of Commerce degree from C.U. Shah Commerce College, Ahmedabad, was obtained by her. She is a qualified Chartered Accountant, has completed the Information Systems Audit course conducted by the Institute of Chartered Accountants of India, and is a registered Insolvency Professional with the Insolvency and Bankruptcy Board of India. She has over two decades of experience in the banking, credit and financial sectors.
- **Shyamsunder Kiranbhai Panchal** is serving as an Independent Director of the Company. A Bachelor of Commerce degree and a Bachelor of Laws (LL.B.) degree from Daulatbhai Trivedi Law College, Ahmedabad, were obtained by him. He is an Associate Member of the Institute of Company Secretaries of India and has over 8 years of experience in corporate compliance, governance and legal operations.
- **Rukaiya Mufazzal Shakir** is serving as an Independent Director of the Company. A Bachelor of Commerce degree and a Bachelor of Laws degree from Gujarat University were obtained by her. She has also completed the Professional Programme examination conducted by the Institute of Company Secretaries of India. She has over one year of experience in corporate compliance, governance and legal operations.

FINANCIAL RATIOS:

FINANCIAL RATIOS	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Ambika Cotton Mills Limited	11.40	7.70	13.80	43.98	6.33
Lagnam Spintex Limited	10.10	11.20	9.88	43.98	7.44
Pashupati Cotspin Limited	10.10	6.53	133.00	43.98	42.60
Aastha Spintex Limited	***18.89***	***23.21***	***377.78***	***43.98***	***N/A***

Source : RHP

Profit and loss Statement

Particulars	FY2025	FY2024	FY2023
Revenue from Operations	24,944.39	22,035.14	22,875.33
Other Income	574.74	788.33	779.58
Total Income	**25,519.13**	**22,823.47**	**23,654.91**
Cost of Material Consumed	21,036.27	18,621.12	19,168.83
Changes in Inventories	309.52	(129.51)	153.67
Employee Benefits Expense	1,142.90	1,074.62	1,099.68
Finance Cost	176.59	178.77	227.06
Depreciation	785.60	790.97	876.01
Other Expenses	1,875.22	1,883.36	1,606.97
Total Expenses	**25,326.10**	**22,419.33**	**23,132.22**
Profit Before Tax	**193.03**	**404.14**	**522.69**
Current Tax	14.48	78.83	55.35
MAT Credit Entitlement	0.00	0.00	0.00
Deferred Tax (Net)	41.46	29.19	59.80
Profit After Tax	**137.09**	**296.12**	**407.54**
Basic EPS (₹)	**0.36**	**0.87**	**1.20**
Adjusted EPS (₹)	**0.36**	**0.87**	**1.20**

Source : RHP

Strengths

- **Balanced Organic and Inorganic Growth Strategy:** The company follows a balanced growth approach by expanding its existing operations while pursuing strategic acquisitions. The proposed acquisition of Falcon Yarns Private Limited is expected to significantly increase spinning capacity, diversify the product portfolio, expand the customer base, and generate operational synergies.
- **Strong Customer Relationships and Established Market Presence:** Aastha Spintex has developed long-standing relationships with its customers by providing customized yarn solutions that meet specific quality and technical requirements. Several customers have maintained business relationships with the company for more than five years, contributing to repeat business and revenue stability.
- **Strategically Located Manufacturing Facility:** The company's integrated ginning and spinning facility is located in Halvad, Gujarat, a major cotton-producing region. This strategic location ensures easy access to raw materials, reduces transportation costs, and provides access to skilled labor and supporting infrastructure.
- **Significant Scope for Capacity Expansion:** The company owns a large land parcel, with substantial vacant land available for future expansion. This provides flexibility to increase production capacity and undertake additional projects without major land acquisition costs.

Key Risk Factors

- **High Customer Concentration Risk:** The company derives a substantial portion of its revenue from a limited number of customers. The top five customers contributed between 46% and 79% of total product sales during recent periods. The loss of any major customer or reduction in order volumes could materially impact revenues and profitability.
- **Dependence on a Single Reseller:** Aastha Spintex relies heavily on 7 Seas Impex for sales outside Gujarat and export markets. Sales through this single reseller contributed a significant share of total revenues in recent years. Any deterioration in this relationship could adversely affect the company's market reach and sales volumes.
- **Supplier Concentration Risk:** The company depends on a limited number of suppliers for raw cotton and cotton bales. The top ten suppliers accounted for a significant portion of total purchases, exposing the company to supply disruptions, price volatility, and procurement risks.
- **Geographical Concentration of Raw Material Sourcing:** The majority of cotton procurement is concentrated within Gujarat. Any adverse weather conditions, pest infestations, crop failures, or regional disruptions could affect the availability and pricing of raw materials.
- **Single Manufacturing Facility Risk:** The company operates only one manufacturing facility located in Halvad, Gujarat. Any disruption caused by equipment failure, fire, natural disasters, labor issues, or utility interruptions could significantly impact production and financial performance.
- **Seasonal Nature of Operations:** Cotton is a seasonal crop primarily available between October and March. This seasonality requires the company to maintain large inventories, increasing working capital requirements and exposing it to inventory and price risks.
- **Exposure to Raw Material Price Volatility:** Cotton prices are influenced by factors such as weather conditions, crop yields, government policies, and global demand-supply dynamics. Significant fluctuations in cotton prices can adversely affect profit margins.

Source: RHP

Valuation and Outlook

Aastha Spintex Limited IPO is expected to be priced between **₹125 to ₹136** per share. At this price, the Company's **Price-To-Earning-Ratio (P/E)** is **377.78x. Industry (P/E)** Price-To-Earning-Ratio is **43.98x**

Company	Face Value (₹/Share)	Closing Price as on June 25, 2026 (₹)	Revenue from Operations (₹ Lakh)	Basic EPS (₹)	Diluted EPS (₹)	NAV (₹/Share)	P/E (x)	RONW (%)
Aastha Spintex Limited	10.00	N/A	31,328.50	8.29	8.29	43.80	N/A	18.93%
Aastha Spintex Limited - Proforma Consolidated	10.00	N/A	59,713.82	9.00	9.00	43.80	N/A	20.07%
Ambika Cotton Mills Limited	10.00	1,725.00	70,207.04	114.83	114.83	1,579.25	13.80	7.27%
Lagnam Spintex Limited	10.00	80.50	60,556.46	7.28	7.28	68.41	9.88	10.64%
Pashupati Cotspin Limited	1.00	87.30	63,670.28	0.82	0.82	9.78	133.00	8.35%

Aastha Spintex Limited is well positioned to benefit from the long-term growth prospects of the Indian textile and cotton yarn industry, supported by increasing domestic consumption, growing exports, and the government's continued focus on strengthening the textile value chain. Rising demand from apparel, home textiles, denim, and technical textile segments is expected to support yarn consumption over the medium to long term.

The proposed acquisition of Falcon Yarns Private Limited represents a major growth catalyst for the company. The acquisition is expected to substantially increase spinning capacity, broaden the product portfolio, enhance economies of scale, and expand the customer base. Successful integration of the acquired business could significantly strengthen the company's market position and improve operational efficiencies.

The company also benefits from its strategic location in Gujarat, proximity to major cotton-producing regions, and significant investment in renewable energy infrastructure. Its solar and wind power facilities reduce energy costs and provide a competitive advantage in an industry where power costs constitute a major portion of operating expenses.

However, the company's outlook remains dependent on several factors, including cotton price volatility, raw material availability, customer concentration, and successful integration of Falcon Yarns. The textile industry is inherently cyclical and remains exposed to fluctuations in domestic demand, export markets, and global economic conditions.

Going forward, capacity expansion, customer diversification, increased value-added yarn production, and improving operational efficiencies are expected to be key growth drivers. Overall, Aastha Spintex appears well positioned to capitalize on growth opportunities in the cotton yarn industry, although execution of its expansion strategy and management of industry-related risks will remain critical for sustaining long-term growth.

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