



IPO NOTE

AASTHA SPINTEX LIMITED



Rating:

SUBSCRIBE



ISSUE OFFER

Issue Opens on	JUNE 29, 2026
Issue Close on	JULY 01, 2026
Total IPO size (cr)	₹170
Fresh issue (cr)	₹170
Offer For Sale (cr)	-
Price Band (INR)	₹ 125-136
Market Lot	110 SHARES
Face Value (INR)	₹10
Listing At	BSE, NSE
Market Cap (Pre IPO)	600.33

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 20%;"></div>	20%
NII Portion	<div style="width: 40%;"></div>	40%
Retail Portion	<div style="width: 40%;"></div>	40%

INDICATIVE TIMETABLE

Basis of Allotment	02-07-2026
Refunds/Unblocking ASBA Fund	03-07-2026
Credit of Share to Demat A/c	03-07-2026
Listing Date	06-07-2026

Aastha Spintex Ltd. is a Gujarat-based textile manufacturer established in 2013, primarily engaged in the production of cotton spun yarn. The company operates an integrated spinning facility in Halvad, Gujarat, catering to both domestic and export markets.

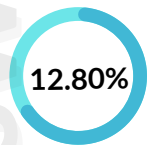
OBJECTS OF THE ISSUE

- Acquisition of Falcon Yarns Pvt. Ltd.
- Working Capital Funding for Falcon Yarns
- General Corporate Purposes

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	29.94	27.31	27.31
Net Worth	121.05	76.38	60.01
Total Income	352.17	305.67	239.69
EBITDA Margin%	13.16	11.20	4.84
Net Profit/Loss of the year	22.92	16.29	1.06

FINANCIAL RATIOS OF FY26



12.80%

ROE



18.78x

P/E



7.24

EPS (Pre IPO)

OUTLOOK & VALUATION

- Revenue grew from ₹239 Cr (FY23) to ₹351 Cr (FY25), while PAT surged from ₹1 Cr to ₹23 Cr, reflecting a strong turnaround.
- The acquisition of Falcon Yarns is expected to more than double spinning capacity from 7,700 MT to 17,457 MT per annum, supporting future revenue growth.
- The business remains exposed to cotton price volatility, dependence on a single manufacturing facility, and customer concentration outside Gujarat through a reseller.
- Investments in solar and wind power now meet around 80% of energy needs, helping reduce power costs and improve profitability.
- At around 18.78x FY25 P/E, the IPO appears reasonably valued considering its growth profile and improving margins. We recommend SUBSCRIBE for medium-to-long-term investors.



COMPANY PROFILE

- Manufactures cotton spun yarn for weaving, knitting, hosiery, and garment industries.
- Offers a range of products including carded, combed, and compact cotton yarn.
- Operates a vertically integrated manufacturing facility, helping maintain quality and operational efficiency.
- Serves customers in India and international markets.
- The company have a semi-automated and integrated spinning and ginning Manufacturing Facility situated at Halvad, Morbi, Gujarat.
- Fully integrated cotton spinning infrastructure with modern technologies to support product portfolio.
- Long standing relationship with key customers.



COMPETITIVE STRATEGIES

- Expand through acquisitions, including the proposed acquisition of Falcon Yarns Pvt. Ltd.
- Increase manufacturing capacity to meet growing domestic and export demand.
- Improve operational efficiency through technology upgrades and process optimization.
- Strengthen sustainability initiatives by increasing the use of renewable energy and reducing production costs.
- Expand customer base and market presence by leveraging experienced management and entering new domestic and international markets.



KEY CONCERNS

- A major portion of sales outside Gujarat and exports depends on a single reseller, 7 Seas Impex.
- The company's operations depend on a single manufacturing facility, making it vulnerable to disruptions.
- The company has entered into related-party transactions and may continue to do so in the future.
- Demand may shift from cotton yarn to synthetic fibres, which could affect sales and profitability.



KEY STRENGTHS

- The company operates an integrated ginning and spinning facility at a single manufacturing location.
- It manufactures a range of cotton yarn products along with cotton bales and cotton waste.
- The manufacturing facility has a capacity of 25,920 spindles with cotton yarn and cotton bale production capabilities.
- The company has a dedicated quality control and product development team for testing products at different production stages.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Aastha Spintex Ltd	8.29	18.78	43.80	352.17	18.93
Peer Group					
Ambika Cotton Mills Limited	114.83	14.25	1,579.14	702.02	7.27
Lagnam Spintex Limited	7.28	11.15	68.41	605.56	10.64
Pashupati Cotspin Limited	0.82	106.54	9.78	636.70	8.35



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