



Press Release

Aastha Spintex Limited (ASL)

(Formerly known as Aastha Spintex Private Limited)

February 13, 2026

Ratings

Instrument / Facility	Amount (Rs. In Cr)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Facilities	51.15 (Reduced from 57.26)	IVR BBB+/Stable [IVR Triple B Plus with Stable Outlook]	IVR BBB/Stable [IVR Triple B with Stable Outlook]	Upgraded	Simple
Short Term Bank facilities	8.85 (Enhanced from 2.48)	IVR A2 [IVR A Two]	IVR A3 [IVR A Three]	Upgraded	Simple
Total	60.00 (Enhanced from 59.74)	(Rupees Sixty-Crore only)			

Details of Facilities are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The rating upgrade reflects improvements in the company's scale of operations and profitability during fiscal 2025 (April 1, 2024, to March 31, 2025), as well as the performance in the first nine months of FY2026. The rating continues to draw strength from the proximity and easy access to raw material, comfortable capital structure and satisfactory debt coverage indicators, extensive experience of promoters. However, the rating remains constrained by company's susceptibility towards fluctuations in raw cotton prices thereby might impact overall profitability of the company and its presence in a highly competitive and fragmented cotton spinning industry.



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The stable outlook reflects Infomerics expectation that ASL will continue to benefit from its sustained financial risk profile in near to medium term coupled with anticipated synergy gains from future acquisitions.

Key Rating Sensitivities:

Upward Factors.

- Significant growth in scale of operations leading to enhanced profitability, cash flows and liquidity on sustained basis.
- Significant improvement in capital structure strengthening debt coverage metrics on sustained basis.

Downward Factors

- Significant de-growth in operating income and/or profitability resulting in lower-than-expected cash accruals.
- Any unplanned capital expenditures leading to deterioration in debt protection metrics
- Significant increase in working capital needs impacting liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Improvement in scale of operations and profitability

ASL has reported 15% growth in total operating income (TOI), at ₹351.16 crore in FY2025 against ₹304.86 crore in FY2024, primarily driven by higher sales volumes of cotton bales and cotton seeds. By December 2025, the company has already achieved ₹310.63 crore (i.e. 90% of FY2025 turnover) and is projected to reach approximately ₹400 crore by March 2026. The year-to-date (YTD) growth of 21.3% till December 2025 highlights strong demand and ASL's established market position, despite volatility in cotton prices. The improved profitability is marked by growth in EBITDA by ~34% year-on-year basis to ₹49.86 crore in FY2025 (₹37.27 crore in FY2024). Lower input costs, changes in inventory levels and reduced power expenses following operationalization of a 5MW solar plant and a 2.7MW windmill on captive basis. The operating margins have strengthened to 14.2% in FY2025 compared to 12.23% in FY2024.



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As of December 2025, operating profit stood at ₹36.24 crore, with margins around 12%. However, profitability of the company is expected to remain sensitive towards raw cotton price fluctuations and competitive pressures in the fragmented spinning industry.

Proximity and easy access to raw material

The Company has easy access to raw material as its manufacturing plant located in Saurashtra region at Morbi (Gujarat). The Saurashtra region known for cultivation of cotton, enables the company to save on logistics costs and sourcing of raw material at competitive price with its prompt availability.

Comfortable capital structure and satisfactory debt coverage indicators

ASL's capital structure remained comfortable marked by improved long-term debt to equity and overall gearing which improved on sustained basis and stood at 0.30x (FY'24: 0.60x) and 0.79x (FY'24: 1.09) respectively as on March 31, 2025 mainly on account of increase in tangible net-worth base. Further the Total debt to EBITDA also improved to 1.93x as on March 31, 2025 as against 2.19x over previous fiscal due to improvement in operating profit.

The debt coverage indicators also stood satisfactory, marked by Interest Service coverage ratio (ISCR) and Debt service coverage ratio (DSCR) which remained at above 4x and 2x respectively in fiscal 2025. Overall, the financial risk profile of the company remained sound, supported by growth in scale of operations and healthy capital structure.

Extensive experience of the promoters

ASL has been operational since 2013 led by Mr. Jashwant Patel. Currently Mr. Vivek R. Gothi and Mr. Divyang Patel are in charge of daily affairs of the company with an experienced team of professionals working under their supervision. The promoters have extensive experience of more than 2 decades in the industry.

Key Rating Weaknesses

Exposure to volatility in the prices of key raw material

The company's primary raw material is cotton, and its profitability is heavily affected by the fluctuating prices of cotton. These price changes are influenced by factors such as the area



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dedicated to cotton cultivation, monsoon conditions, international supply and demand, crude oil prices, geopolitical factors, and industry-specific developments. In recent years, cotton yarn production has faced instability due to volatile cotton prices and fluctuating export policies. Any significant impact on overall financial performance of the company owing to changes in raw material prices remains key monitoring factor.

Challenges in a cyclical, fragmented and competitive textile industry

The textile industry is inherently cyclical, with demand closely tied to consumption trends, disposable income levels, and the overall economic outlook. It is also susceptible to challenges in workforce mobilization, and changes in government policies affecting the sector's development. Additionally, the industry is highly competitive and fragmented, with numerous players in both organized and unorganized sectors.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Default Recognition Policy](#)

[Complexity Level of Rated Instruments / Facilities](#)

Liquidity – Adequate

The liquidity position of the ASL marked by Gross cash accruals in a range of around Rs. 33 to 43 crore is expected to remain adequate as against of its debt repayment of Rs. 9 Cr to 7 Cr for the next 3 years ending FY'28. The current ratio stood at 1.64x (FY'24: 1.29x) as on March 31, 2025. The unencumbered cash & cash equivalent stood at Rs. 8.45 crore as on December 31, 2025. The average fund-based utilizations stood high at ~93% for the past 12 months ended Dec'2025.



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About the Company

Gujarat-based, Aastha Spintex Limited (Erstwhile known as Aastha Spintex Private Limited) was incorporated in 2013 by Mr. Jaswant Patel. Currently Mr. Vivek Gothi and Mr. Divyang Patel, having established track record in cotton industry are managing the overall operations of the company. ASL's manufacturing facility is located at Halvad, Morbi (Gujarat) and engaged in ginning and spinning of cotton yarn of counts 30-32 (combed yarn) used for knitting and weaving. ASL's installed capacity stands at 25,960 spindles in spinning unit and 12,000 MT in ginning unit.

Financials (Standalone):

For the year ended/ As on*	31-03-2024	31-03-2025	(Rs. crore) 9MFY'26
	Audited	Audited	UA
Total Operating Income	304.86	351.16	310.83
EBITDA	37.27	49.86	36.24
PAT	16.33	23.50	17.82
Total Debt	82.86	88.86	-
Adjusted Tangible Net Worth	76.72	121.95	-
EBITDA Margin (%)	12.23%	14.20%	11.66%
PAT Margin (%)	5.34%	6.67%	5.73%
Adjusted Overall Gearing Ratio (x)	1.09	0.79	-
Interest Coverage (x)	3.55	4.91	4.76

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: ASL has announced a fresh issue of equity shares aggregating up to Rs. 16,000 lakhs at a face value of Rs. 10 per share through an Initial Public Offering (IPO). The allocation of net proceeds is under finalization, with the majority expected to be directed toward the acquisition of an existing textile unit. Both the IPO and the acquisition are targeted for completion in fiscal 2027.



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2022-23
					Feb 14, 2025	May 08, 2024	March 31, 2023
1	Cash Credit	Long Term	38.00	IVR BBB+/Stable	IVR BBB/ Stable	IVR B+ (INC)	IVR BB- (INC)
2	Term Loan	Long Term	10.16	IVR BBB+/Stable	IVR BBB/ Stable	--	--
3	GECL – 1	Long Term	0.45	IVR BBB+/Stable	IVR BBB/ Stable	--	--
4	GECL - 2	Long Term	2.54	IVR BBB+/Stable	IVR BBB/ Stable	--	--
6	Bank Guarantee	Short Term	2.48	IVR A2	IVR A3	--	--
7	Proposed	Short Term	6.37	IVR A2	-	-	-

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Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	--	38.00	IVR BBB+ /Stable
Term Loan	-	-	-	Sep 2030	10.16	IVR BBB+ /Stable
GECL – 1	-	-	-	Feb 2026	0.45	IVR BBB+ /Stable
GECL – 2	-	-	-	Dec 2027	2.54	IVR BBB+ /Stable
Bank Guarantee	-	-	-	-	2.48	IVR A2
Proposed	-	-	-	-	6.37	IVR A2



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Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Aastha_Spintex13_Feb26_9afe119911.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.