Nagreeka Exports Limited

June 09, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 243.73 Crore (reduced from Rs. 263.71 crore)**	**Regulator^**
Long Term Rating	**IVR BB+/Stable (Rating downgraded)**	**RBI**
Short Term Rating	**IVR A4+ (Rating downgraded)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

The rating action follows sustained deterioration of operating performance of Nagreeka Exports Limited (NEL) during FY25 and FY26 with DSCR remained below 1x during FY25 and FY26. The rating, however, derives comfort from the company's comfortable capital structure supported by improvement in net worth aided by internal accruals and promoter infusion, along with the established presence of the company and experienced promoters.

The rating remains constrained by exposure to project implementation risk related to the ongoing capacity expansion. Further, moderate debt protection and raw material price risk.

Outlook: Stable

The Stable Outlook reflects Infomerics expectation of continued financial support from promoters and expectations of comfortable capital structure.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

Comfortable Capital structure and net worth

The capital structure remained comfortable, with overall gearing and TOL/ATNW improving to 0.90x and 1.18x, respectively, as on March 31, 2026, compared with 1.02x and 1.29x as on March 31, 2025. The improvement was primarily driven by debt repayments and improvement in the company's net worth to Rs. 169.23 crore as on March 31, 2026 (March 31, 2025: Rs. 157.27 crore). The increase in net worth was supported by internal accruals as well as Rs. 11.93 crore of additional unsecured loans infused by promoters, which are subordinated to bank and have been treated as quasi-equity. Infomerics notes that the despite capex the capital structure will remain comfortable in near term.

Experienced promoters and established presence in the yarn export segment

NEL is promoted and managed by the Patwari family, which possesses over four decades of experience in the textile industry. This extensive industry expertise has enabled the company to establish strong and longstanding relationships with key stakeholders, including customers, suppliers, and financial institutions. The experienced promoter group has also supported the company in navigating industry cycles and sustaining its operational presence in a competitive market environment.

Weaknesses

Sustained deterioration in operating performance

NEL's revenue remained moderate at Rs. 511.18 crore in FY26 as against Rs. 528.86 crore in FY25, due to shutdown of plant for almost two months. The operating margin moderated to 3.89% in FY26 from 4.62% in FY25, mainly due to higher raw material costs, with raw material consumption increasing to around 56% of operating income from 41% in FY25, coupled with moderation in sales volumes. Consequently, EBITDA declined to Rs. 19.87 crore in FY26 from Rs. 24.42 crore in FY25. Infomerics notes that the operational performance will be key monitorable in the medium term.

Project implementation risk

The company is undertaking a capacity expansion of its processing unit at Kagal, increasing production capacity of bleached cotton / absorbent cotton from 14.35 MT per day to 31.15 MT per day, with a total project cost of Rs. 31.14 crore. The project is to be funded through a term loan of Rs. 22.98 crore, while the balance is to be financed through unsecured loans/promoter contribution. As per the sanction terms, the scheduled commercial operation date (SCOD) is January 01, 2027. While the expansion is expected to strengthen the company's position in value-added segments, it remains exposed to project implementation risks, including execution delays, cost overruns, and timely infusion of funds.

Moderate debt protection metrics

The debt protection metrics remained moderate marked by interest coverage at 1.51x in FY26 (FY25: 1.73x) mainly due to lower EBITDA during the year. Further, the total debt to NCA also deteriorated to 22.70 years in FY26 (FY25: 17.98 years) mainly due to lower Net cash accruals.

Raw material price risk

Cotton is NEL's major raw material component. Cotton prices are susceptible to factors such as rainfall pattern in cotton producing areas, pest attacks, availability of cheap imports, Man made fibre prices and government regulations. Therefore, NEL continues to be exposed to any fluctuation in the prices of cotton.

Liquidity –Adequate

The liquidity position of the company remained adequate, supported by expected gross cash accruals, which are projected to be sufficient to meet scheduled debt repayment obligations over FY27–FY29. Further, the current ratio remained comfortable at 1.34x as on March 31, 2026. The company also reported positive cash flow from operations of Rs. 17.29 crore in FY26, supporting its liquidity profile. Additionally, the promoters infused Rs. 11.93 crore in the form of unsecured loans, which are subordinated to bank debt and treated as quasi-equity, thereby providing additional financial flexibility.

Rating Sensitivities

Upward Factors

- Sustained & substantial improvement in revenue & profitability margins and/or improvement in working capital cycle leading to overall improvement in credit profile.
- DSCR of > 1.5x on a sustained basis
- Completion of capacity additions without any time and cost overrun and achievement of revenue and profitability while attaining geographical diversification.

Downward Factors

- Any declined in revenue and profitability and/or any unplanned debt led capex and/or any deterioration in working capital cycle leading to deterioration in credit profile.

About the Company

Nagreeka Exports Ltd. was incorporated in West Bengal on 6th March 1989. NEL was promoted by late Mr. Ishwarlal Patwari and his family to undertake their family business of yarn trade. NEL has export-oriented Cotton Spinning Unit with a capacity of 55440 spindles is in Kolhapur, Maharashtra. The Company is producing about 7500 TPA of World Class normal and organic cotton yarn in the count range from English count (Ne) 20s to 61s with an average production count of Ne 39s-doublecombed and carded suitable for knitting and weaving sector for both export and domestic markets. NEL is listed on BSE.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	528.86	511.18
EBITDA	24.42	19.87
PAT	3.17	3.06
Total Debt	161.12	156.85
Tangible Net Worth (TNW)	153.27	159.23
EBITDA Margin (%)	4.62	3.89
PAT Margin (%)	0.60	0.60
Overall Gearing (times)	1.08	1.09
Interest Coverage (times)	1.73	1.51

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition and post default recognition

Complexity Level of Rated Instruments/Facilities

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26		Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					Aug 22, 2025	Apr 24, 2025	March 28, 2025	Jan 29, 2024
1.	Fund based facilities	LT/ST	53.40	IVR BB+/ Stable; IVR A4+	IVR BBB-/ Negative; IVR A3	IVR BBB-/ Stable; IVR A3	IVR BBB-/ Stable; IVR A3	IVR BBB-/ Stable
2.	Fund based/non-fund-based facilities	ST	190.33	IVR A4+	IVR A3	IVR A3	IVR A3	IVR A3

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
GECL 2.0*	NA	NA	NA	30-Nov-2025	0.45	IVR BB+/Stable	NA	RBI	Simple
GECL 2.0 extn	NA	NA	NA	31-Aug-2028	0.74	IVR BB+/Stable	NA	RBI	Simple
Term Loan	NA	NA	NA	Dec 31, 2034	22.98	IVR BB+/Stable	NA	RBI	Simple
EPC/ PCFC	NA	NA	NA	NA	12.00	IVR A4+	NA	RBI	Simple
FBDN/FBP	NA	NA	NA	NA	6.00	IVR A4+	NA	RBI	Simple
GECL 2.0*	NA	NA	NA	31-Mar-2026	5.03	IVR BB+/Stable	NA	RBI	Simple
GECL 2.0 extn	NA	NA	NA	28-Jun-28	8.44	IVR BB+/Stable	NA	RBI	Simple
EPC/ PCFC	NA	NA	NA	NA	33.00	IVR A4+	NA	RBI	Simple
FBDN/FBP	NA	NA	NA	NA	37.25	IVR A4+	NA	RBI	Simple

Bank Guarantee	NA	NA	NA	NA	5.00	IVR A4+	NA	RBI	Simple
Letter of Credit	NA	NA	NA	NA	0.08	IVR A4+	NA	RBI	Simple
GECL 2.0	NA	NA	NA	30-Nov-2026	1.50	IVR BB+/Stable	NA	RBI	Simple
EPC/ PCFC	NA	NA	NA	NA	41.00	IVR A4+	NA	RBI	Simple
FBDN/FBP	NA	NA	NA	NA	1.00	IVR A4+	NA	RBI	Simple
GECL 2.0	NA	NA	NA	31-Aug-2028	1.17	IVR BB+/Stable	NA	RBI	Simple
GECL 2.0 extn	NA	NA	NA	31-Aug-2028	2.42	IVR BB+/Stable	NA	RBI	Simple
EPC/ PCFC	NA	NA	NA	NA	40.00	IVR A4+	NA	RBI	Simple
GECL 2.0*	NA	NA	NA	31-Dec-2025	0.67	IVR BB+/Stable	NA	RBI	Simple
EPC/ PCFC	NA	NA	NA	NA	15.00	IVR A4+	NA	RBI	Simple
Proposed	NA	NA	NA	NA	10.00	IVR BB+/Stable; IVR A4+	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details

https://infomericstorage.blob.core.windows.net/uploads/Len_Nagreeka_Exports_9june26_3bc5ee2b99.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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

***Footnotes**:*

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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About Infomerics

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