Lagnam Spintex

Lagnam Spintex Limited

Plant & Regd. Office: A 51-53, RIICO Growth Centre Hamirgarh, Bhilwara (RAJ) 311001

Dated: 25-11-2026

To,
The Manager
Listing and Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra,
Mumbai – 400051

Company ID: **LAGNAM**
ISIN: **INE548Z01017**

Sub.: **Intimation of Upgrade of Outlook and Affirmation of Credit Rating**

Ref.: *Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Dear Sir/Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that "India Ratings & Research" (Credit Rating Agency) has revised the Outlook on Bank's Loan Facility from Stable to **Positive** and affirmed the IND BBB-Credit Rating on bank facilities of the Company as per following details-

Facility	Issue Size (INR Million)	Previous Credit Rating	Revised Credit Rating	Action
Bank Loan	350	IND BBB-/Stable/ IND A3	**IND BBB-/Positive/IND A3**	Assigned
Bank Loan	3,972.10	IND BBB-/Stable/ IND A3	**IND BBB-/Positive/IND A3**	Affirmed; Outlook revised to Positive

A copy of publication dated 25.11.2026 as issued by "India Ratings & Research" is attached herewith.

You are requested to kindly take the same on your records.

Yours Faithfully,
For LAGNAM SPINTEX LIMITED

RAJEEV PARASHAR
Digitally signed by RAJEEV PARASHAR
Date: 2026.11.25 17:57:04 +05'30'

RAJEEV PARASHAR
COMPANY SECRETARY
& COMPLIANCE OFFICER
MEM. NO.: F12673

India Ratings Revises Outlook on Lagnam Spintex's Bank Loan Facilities to Positive; Affirms at 'IND BBB-'; Rates Additional Limits

Nov 25, 2026 | Lagnam Spintex Limited | Other Textile Products

India Ratings and Research (Ind-Ra) has taken the following rating actions on Lagnam Spintex Limited's (LSL) bank loan facilities:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	350	IND BBB-/Positive/IND A3	Assigned
Bank loan facilities	RBI	-	-	-	3,972.10	IND BBB-/Positive/IND A3	Affirmed; Outlook revised to Positive

Analytical Approach

Ind-Ra continues to take a standalone view of LSL to arrive at the ratings.

Detailed Rationale of the Rating Action

The Positive Outlook reflects the expected benefit from captive power consumption as LSL installed a 12 megawatt (MW) solar power plant and a 3.5MW hybrid power plant between October and November 2026, sufficing 70%-75% of its power requirements and thus boosting its operating profitability.

The affirmation reflects LSL's medium scale of operations and experienced promoters with a longstanding operating track record. However, Ind-Ra expects the credit metrics to remain modest in the near term, despite a gradual improvement, due to increased operating profitability and reduction debt from scheduled debt repayments.

List of Key Rating Drivers

Strengths

- Medium scale of operations; revenue likely to remain at similar levels in medium term
- Experienced promoters; established presence in textile market

Weaknesses

- Credit metrics to remain modest, despite improvement
- Modest EBITDA margins
- Inherent industry risks

Detailed Description of Key Rating Drivers

Medium Scale of Operations; Revenue Likely to Remain at Similar Levels in Medium term: In FY26, LSL reported a turnover of INR6,049.80 million (FY25: INR6,055.65 million), with exports contributing 42.79% (46.26%). The company operated at 100% capacity during FY25-FY26, with sales increasing to 25,017 metric tonnes in FY26 (MT; 24,062MT); however, realisation per MT softened to INR241,819 (INR251,662). Bangladesh contributed 25.65% to the company's revenue in FY26 (FY25: 25.09%), followed by Portugal at 5.89% (6.20%), while the US, Morocco, South Korea and others contributed for the remaining. The revenue share from Bangladesh declined to 15.44% in 4QFY26 from 38.47% in 1QFY26, and is likely to decline further in FY27, as LSL has been expanding in other international markets.Furthermore, the revenue grew to INR3,383 million in 1HFY27 (1HFY26: INR2,725.2 million), driven by increased yarn prices. Ind-Ra expects the revenue to sustain at similar levels in FY28, supported by 100% capacity utilisation and the absence of any additional capex plans to expand the installed capacity. In 1HFY27, Bangladesh accounted for 18.75% of the total revenue, amounting to INR634.5 million.

Experienced Promoters; **Established Presence in Textile Market:** LSL is a listed entity, led by D.P. Mangal, the chairman of the group, who has more than four decades of experience in the textile industry, and Anand Mangal, who has been the managing director since LSL's inception in 2010. Furthermore, the company has a strong foothold in the domestic and export markets, such as Bangladesh, Portugal, Poland, China, Singapore, the US, South Korea, Morocco, and Germany.

Credit Metrics to Remain Modest, despite Improvement: In FY26, LSL's interest coverage (operating EBITDA/net interest expense) improved to 2.18x (FY25: 2.11x; FY24: 2.95x) and net leverage to 5.35x (5.95x; 8.37x) due to sustained operating profitability of INR668.6 million (INR653.05 million; INR450.78 million) and a decline in the total debt to INR3,575.97 million (FY25: INR3,884.95 million). The adjusted net leverage (including export bills discounted) stood at 6.23x in FY26 (FY25: 6.85x; FY24: 9.56x). Ind-Ra expects the credit metrics to improve further in FY27 and FY28 on the back of a likely improvement in operating profitability and a further reduction in term debt due to the scheduled debt repayments.

Modest EBITDA Margins: The EBITDA margins improved to 11.05% in FY26 (FY25: 10.78%), due to a decline in the cost of goods sold, as a percentage of revenue, to 71.79% (72.36%). In FY26, the EBITDA per tonne was INR26,724 (FY25: INR27,139). The company's operating profitability was impacted in FY26 due to an increase in the power tariff by the government of Rajasthan, effective October 2025. During 1HFY27, its EBITDA margin rose to 13.04% due to lower operating expenses and better realisations. The return on capital employed was 10% in FY26 (FY25: 9.70%) and is likely to improve over the medium term, driven by the likely improvement in operating profitability. LSL installed a 12 megawatt (MW) solar power plant and a 3.5MW hybrid power plant, with a total capex of about INR550 million, between October 2026 and November 2026. The power plant is likely to benefit in lowering the annual power cost by INR140 million-INR150 million annually. Ind-Ra expects the operating margins to trail in the range of 11%-13% over the medium term, due to the estimated savings in power costs.

Inherent Industry Risk: Textile players face high competition, due to the fragmented nature of the industry and raw material price volatility. Additionally, cotton prices in India are regulated by the government through a minimum support price, impacting price parity for the cotton players. The price of raw cotton also depends on the area under production, annual yield, international demand-supply scenario, export quota decided by the government, and the previous year's inventory.

Liquidity

Adequate: The company's average monthly utilisation (based on drawing power) of the fund-based limits was 92.52% over the 12 months ended September 2026. In FY26, LSL increased its working capital limits to INR2,000 million (FY25: INR1,690 million). Furthermore, LSL has nearly INR410 million of sanctioned Emergency Credit Line Guarantee Scheme limits, which have been utilised for working capital requirements.

The cash flow from operations turned positive to INR423.60 million in FY26 (FY25: negative INR65.41 million) due to favourable changes in working capital. Consequently, the free cash flow turned positive to INR304.40 million in

FY26 (FY25: negative INR100.21 million), despite capex of INR119.20 million (INR34.80 million). Ind-Ra expects the cash flow from operations to remain positive in FY27, but the free cash flow to decline due to the planned capex pertaining to the solar power plant. The company has debt repayment obligations of INR330 million and INR494.4 million in FY27 and FY28, respectively, which would be serviced through the company's internal accruals and EBITDA.

Rating Sensitivities

Positive: Maintaining liquidity position and sustaining the operating performance, along with the adjusted net leverage declining below 4.0x, all on a sustained basis, will lead to a positive rating action.

Negative: Any substantial decline in the scale of operations or profitability or a deterioration in the liquidity position or the adjusted net leverage remaining above 4.0x, all on a sustained basis, will lead to a negative rating action.

Any Other Information

Not applicable

About the Company

Established in 2010, Rajasthan-based LSL manufactures single and double, carded and combed ring spinning yarn, open-end spinning yarn and compact yarn for domestic and export markets. D.P Mangal, Anand Mangal and Shubh Mangal are the promoters. It had a ring spinning capacity of 25,536 spindles and open-end capacity of 1,920 rotors as of March 2026. The entity installed an additional capacity of 67,008 ring spindles for the production of compact yarn.

Key Financial Indicators

Particulars (INR million)	1HFY27	FY26	FY25
Revenue	3,383.00	6,049.80	6,055.65
EBITDA	441.61	668.60	653.05
EBITDA margin (%)	13.04	11.05	10.78
Gross interest coverage (x)	2.66	2.18	2.11
Net leverage (x)	-	5.35	5.95
Source: LSL; Ind-Ra			

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook						
	Rating Type	Rated Limits (INR million)	Current Rating	30 July 2026	12 May 2025	12 November 2024	19 August 2024	16 April 2024	22 September 2023	17 April 2023
Bank loan facilities	Long-term/short-term	INR4322.1	IND BBB-/Positive/IND A3	IND BBB-/Stable/ IND A3	IND BBB-/Stable/ IND A3	IND BB+/Rating Watch with Developing Implications/ IND A4+/Rating Watch with Developing Implications	IND BB+/Rating Watch with Developing Implications/ IND A4+/Rating Watch with Developing Implications	IND BBB-/Negative/ IND A3	-	IND BBB-/Negative/ IND A3
Issuer rating	Long-term	-	-	-	-	-	-	-	WD	IND BBB-/Negative

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: 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.

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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