Lagnam Spintex

Lagnam Spintex Limited

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

To,

Date: 30.07.2026

The Manager
Listing & 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.: **Disclosure under regulation 30 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (as amended)- Intimation of the Credit Rating assigned & Reaffirmed by "India Ratings & Research"**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (as amended), we hereby inform you that "India Ratings & Research" (Credit Rating Agency) has assigned and affirmed the Credit Rating on bank facilities of the Company as per following details: -

Facilities	Present Credit Rating	Previous Credit Rating
Long-Term Loans	IND BBB-/Stable	IND BBB-/Stable
Fund Based Facilities	IND BBB-/Stable/ IND A3	IND BBB-/Stable/ IND A3
Non Fund Based Facilities	IND A3	IND A3

A copy of publication dated 30.07.2026 as issued by "India Ratings & Research" is attached herewith.

Thanking You,

Yours Faithfully,

For Lagnam Spintex Limited

ANAND MANGAL
Digitally signed by ANAND MANGAL
Date: 2026.07.30 18:25:46 +05'30'

Anand Mangal
Managing Director
DIN: 03113542

Encl.: As above

India Ratings & Research
A Fitch Group Company

India Ratings Affirms Lagnam Spintex's Bank Loan Facilities at 'IND BBB-'/Stable; Rates Additional Limits

Jul 30, 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	-	-	-	86.10	IND BBB-/Stable/IND A3	Assigned
Bank loan facilities	RBI	-	-	-	3,886	IND BBB-/Stable/IND A3	Affirmed

Analytical Approach

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

Detailed Rationale of the Rating Action

The affirmation reflects Ind-Ra's expectation of sustenance of LSL's medium scale of operations in the medium term, along with a likely improvement in operating profitability due to the installation of a solar power plant, including a hybrid power plant, in FY27 leading to power cost savings. The full year impact on the operating profitability is likely to be seen from FY28. Ind-Ra expects the credit metrics to remain modest in the near term, although improve due to the likely increase in operating profitability, along with a reduction in the total debt led by 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% to the total revenue (46.26%). The company operated at 100% capacity during FY25-FY26 with sales increasing to 25,017 metric tonnes (MT; 24,062MT); however, realisation per MT softened to INR241,819 (INR251,662). Bangladesh contributed 25.65% to the company's revenue (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 have reduced further in 1QFY27 as LSL has been expanding in other international markets. Ind-Ra expects the revenue to sustain at similar levels in FY27 on account of 100% capacity utilisation and the absence of any further capex plan for increasing the installed capacity.

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: LSL installed 41,472 spindles for manufacturing 100% compact cotton yarn in Hamirgarh, Bhilwara, at a total cost of INR2,180 million, of which INR1,630 million has been funded through banks and the rest through internal accruals. Out of the total debt of INR1,630 million, INR1,505.54 million was drawn down in FY24, leading to deterioration in the net leverage (net adjusted debt/operating EBITDA). Thereafter, the credit metrics remained modest, although improved over the years led by increased operating profitability and scheduled debt repayments. The new plant commenced commercial operations from January 2024.

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 reduction in total debt to INR3,575.97 million (INR3,884.95 million). The adjusted net leverage (including export bills discounted) stood at 6.23x in FY26 (FY25: 6.85x; FY24: 9.56x). The net interest expense is net of subsidy received on term loan interest, which LSL generally receives quarterly. 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 scheduled debt repayments.

Modest EBITDA Margins: The EBITDA margins improved to 11.05% in FY26 (FY25: 10.78%) on account of 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 operating profitability was also impacted in FY26 due to an increase power tariff by the government of Rajasthan, effective October 2025. The return on capital employed was 10.0% in FY26 (FY25: 9.70%) and is likely to improve over the medium term led by the likely improvement in operating profitability. LSL is installing a 12MW solar power plant and a 3.5MW hybrid power plant with a total capex of about INR550 million, which is likely to become operational during September-October 2026. The power plant is likely to benefit in lowering the annual power cost by about INR150 million. Ind-Ra expects the operating margins to increase above 12% over the medium term led by the estimated savings in power cost.

Inherent Industry Risk: Textile players face high competition, due to the fragmented nature of the industry and raw material price volatility. Furthermore, cotton prices in India are regulated through the fixing of a minimum support price by the government, and cotton players depend on the price parity. 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 93.95% over the 12 months ended June 2026. During FY26, LSL increased its working capital limits to INR2,000 million from INR1690 million. Furthermore, LSL has about INR410 million of sanctioned Emergency Credit Line Guarantee Scheme limits, which have been partly utilised for working capital requirment. 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 also 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 INR412 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 of the operating performance, along with the adjusted net leverage reducing 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 5.0x, all on a sustained basis, will be negative for the ratings.

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 the domestic and export markets. D.P Mangal, Anand Mangal and Shubh Mangal are the promoters. It has a ring spinning capacity of 25,536 spindles and open-end capacity of 1,920 rotors as of March 2026. The company has installed an additional capacity of 41,472 ring spindles for the production of compact yarn.

Key Financial Indicators

Particulars	FY26	FY25
Revenue (INR million)	6,049.80	6,055.65
EBITDA (INR million)	668.60	653.05
EBITDA margin (%)	11.05	10.78
Gross interest coverage (x)	2.18	2.11
Net leverage (x)	5.35	5.95
Adjusted net leverage	6.23	6.85
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	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	3,972.1	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

Bank wise Facilities Details

The details are as reported by the issuer as on (30 Jul 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Bank of Baroda	Fund Based Working Capital Limit	165	IND BBB-/Stable / IND A3
2	Bank of Maharashtra	Fund Based Working Capital Limit	270	IND BBB-/Stable / IND A3
3	HDFC Bank Limited	Fund Based Working Capital Limit	400	IND BBB-/Stable / IND A3
4	Indian Bank	Fund Based Working Capital Limit	180	IND BBB-/Stable / IND A3
5	Punjab National Bank	Fund Based Working Capital Limit	500	IND BBB-/Stable / IND A3
6	State Bank of India	Fund Based Working Capital Limit	485	IND BBB-/Stable / IND A3
7	Bank of Baroda	Non-Fund Based Working Capital Limit	2	IND A3
8	Bank of Maharashtra	Non-Fund Based Working Capital Limit	6	IND A3
9	HDFC Bank Limited	Non-Fund Based Working Capital Limit	5	IND A3
10	Punjab National Bank	Non-Fund Based Working Capital Limit	4	IND A3
11	State Bank of India	Non-Fund Based Working Capital Limit	23	IND A3
12	Bank of Maharashtra	Term Loan	427.33	IND BBB-/Stable
13	HDFC Bank Limited	Term Loan	52.74	IND BBB-/Stable
14	Indian Bank	Term Loan	693.5	IND BBB-/Stable
15	Punjab National Bank	Term Loan	122.84	IND BBB-/Stable
16	State Bank of India	Term Loan	564.86	IND BBB-/Stable
17	Union Bank of India	Term Loan	70.83	IND BBB-/Stable

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.

Contact

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

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Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process