Date: June 03, 2026

The Manager
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

NSE Symbol: NIKITA
ISIN: INE0FLF01015

Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Re-affirmation of Credit Rating.

Dear Sir/Madam,

It is to informed that, pursuant to Regulation 30(6) read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), **Nikita Greentech Recycling Limited** *(formerly known as Nikita Papers Limited)* **("the Company")**, has received a re-affirmation of credit ratings from **Infomerics Valuation and Rating Ltd.** (a SEBI Registered and RBI Accredited Credit Rating Agency) *(Formerly Infomerics Valuation & Rating Pvt. Ltd.)* **("the Credit Rating Agency")** in respect of the Company's Bank Loan Facilities.

This re-affirmation has been carried out as part of the annual review exercise.

The Outlook on the Long-Term Rating is revised to "Negative" from "Stable" and the details of re-affirmed credit ratings are mentioned hereunder:

Bank Facilities	Existing Amount (Rs. in Crore)	Revised Amount (Rs. in Crore)	Previous Rating	Revised / Re-affirmed Rating
Long Term Bank Facilities **(Long Term Ratings)**	120.95	120.95	IVR BBB/ Stable (IVR triple B with Stable Outlook)	IVR BBB/Negative (Rating Reaffirmed; Outlook revised to 'Negative' from 'Stable')
Short Term Bank Facilities **(Short Term Ratings)**	40.00	40.00	IVR A3+ (IVR A three plus)	IVR A3+ (Rating Reaffirmed)

DIVAM MITTAL
Digitally signed by DIVAM MITTAL
Date: 2026.06.03 13:02:31 +05'30'

+91- 7300712189
info@nikitapapers.com
www.nikitagreentechrecycling.com
Regd. Office: A-10, 1st Floor, Landmark Near Deepali Chowk, Saraswati Vihar, Pitampura, North West, New Delhi – 110034, India
Corp. Office: C-10, Industrial Estate, Panipat Road, Shamli – 247776, Uttar Pradesh, India
CIN No.: L74899DL1989PLC129066
GST No.: 09AAACN0473F1ZO

Note: *For detailed insights, kindly refer to the enclosed Rating Rationale provided by the Credit Rating Agency.*

The above information shall also be available on Company's website at https://www.nikitagreentechrecycling.com/credit-ratings and website of the Credit Rating Agency at https://www.infomerics.com/pressrelease/nikita-papers-limited.

We request you to take the same on record.

Thanking You.
Yours Faithfully,

For Nikita Greentech Recycling Limited,
(formerly known as Nikita Papers Limited)

DIVAM MITTAL

Digitally signed by DIVAM MITTAL
Date: 2026.06.03 13:02:48 +05'30'

Divam Mittal
Company Secretary & Compliance Officer
ICSI Membership No.; ACS74699

Encl.: as above

+91- 7300712189
info@nikitapapers.com
www.nikitagreentechrecycling.com
Regd. Office: A-10, 1st Floor, Landmark Near Deepali Chowk, Saraswati Vihar, Pitampura, North West, New Delhi – 110034, India
Corp. Office: C-10, Industrial Estate, Panipat Road, Shamli – 247776, Uttar Pradesh, India
CIN No.: L74899DL1989PLC129066
GST No.: 09AAACN0473F1ZO

Nikita Greentech Recycling Limited

(erstwhile Nikita Papers Limited)

June 03, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 160.95 Crore	Regulator^
Long Term Rating	IVR BBB/Negative (Rating Reaffirmed; Outlook revised to 'Negative' from 'Stable')	RBI
Short Term Rating	IVR A3+ (Rating Reaffirmed)	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

Infomerics has reaffirmed the ratings assigned to the bank facilities of Nikita Greentech Recycling Limited (NGRL) (erstwhile Nikita Papers Limited) on the back of strength from experienced promoters, adequate financial risk profile and coverage indicators, setting up captive power plant and a favorable long-term demand outlook for kraft paper. However, these rating strengths are partially constrained due to Muted topline growth along with a decline in profit in FY26 (refers to period April 1, 2025 to March 31, 2026), large working capital requirement and intense competition, in the kraft paper segment and susceptibility of profitability to volatility in waste paper.

Outlook: Negative

The long-term Negative outlook reflects sharp moderation in profitability during FY26 and the company's inability to achieve the financial projections provided earlier, indicating weaker-than-anticipated operational and financial performance.

Analytical Approach

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

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Experienced Promoters**

  The company promoters & directors are operating in the paper industry for over a 3 decades. The company has also employed competent and experience technical staff to support its operations. The long experience of the promoters in the company has enabled to build strong relation with customers and suppliers.

- **Comfortable capital structure and coverage indicators**

  The company's equity share capital increased by Rs. 67.55 crore in FY26, on account of funds raised from initial public offering in June 2026. Thus, adjusted tangible networth increased to Rs. 216.57 crore as on March 31, 2026, from Rs. 142.68 crore as on March 31, 2025. Compared to this total debt was Rs. 193.78 crore as on March 31, 2026, compared with total debt of Rs. 178.49 crore as on March 31, 2025, mainly due to increase in term loan. Thus TOL/TNW (adjusted) improved to 1.24 times as on March 31, 2026, from 1.64 times as on March 31, 2025. Adjusted overall gearing improved to 0.89 times as on March 31, 2025, from 1.25 times as on March 31, 2025. DSCR and ISCR were 1.23 x (PY 1.86x) and 1.0x(PY: 3.49x).

- **Capex undertaken for captive power and plant modernisation to aid topline and profit**

  The company has undertaken a capex of Rs. 50 crore to set up its captive power plant, the CD of which is expected to be October 2026. The CPP is expected to lead to annual cost saving of Rs. 12-13 crore. The company is in the process of converting and upgrading its 35-year-old plant (Unit 1) to introduce a value-added product – Absorbent Paper. The cost of the capex is approximately Rs.57.54 crore which will be funded via term loan and internal accrual. The entire capex will be done in FY27, and the company will see its benefit directly on the performance since this is a value-added product and has better pricing than kraft paper. The project is expected to commence in July 2026 and complete in October 2026. The company expected incremental sales from this of Rs. 50 crore for the six months of FY27.

- **Long term demand outlook for paper remains favourable**

  The long-term demand outlook for kraft paper remains favourable, driven by increasing demand from the e-commerce, food and food products, FMCG, textiles, automobile, and pharmaceutical sectors, which bodes well for the company's growth prospects.

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Weaknesses

- **Muted topline growth along with a decline in profit in FY26**
  Total operating income has shown muted performance over the past three years with TOI of Rs. 357 crore in FY26 compared with TOI of Rs. 398.33 crore in FY23, due to soft realisation prices partly offset by increase in quantity sold. On the other hand profit has suffered due to increase in raw materials price. EBITDA was Rs. 47crore in FY24 which declined to Rs. 34 crore in FY26. The captive power project as well as contribution from the modernisation of the old unit is expected to aid topline and bottom line growth going ahead which will be a key rating factor.
- **Large working capital requirement**
  Gross current assets (GCAs) were at a sizeable 336 days as on March 31, 2026, driven by receivables of 122 days. The company maintains an inventory of 40-60 days and extends credit of ~30 days to customers. Payables of 30-40 days support working capital. Going forward further significant increase in GCA will be a key monitorable.
- **Competition, especially in the kraft paper segment, is intense**
  Due to intense competition in kraft paper segment, the players have limited pricing flexibility. Moreover, end users of packaging paper are also price sensitive. This situation is expected to continue over the medium-to long term, as consolidation is unlikely because of unviable capacities. However, the move by the company to product premium quality absorbent paper in its Unit 1 which will undergo modernisation soon will lead to diversification benefit.
- **Profitability susceptible to volatility in waste paper price**
  Wastepaper is the main raw material for kraft paper, constituting around 65-70% of cost of sales, followed by power & fuel cost. Wastepaper is procured mostly through domestic sources. Volatility in prices of waste paper will have an impact on profitability margins, as it has been in the past.

Liquidity – Adequate

Liquidity is expected to remain adequate in the near to medium term with sufficient accruals and to meet the term debt repayment in the period FY27-FY29. The average fund based utilisation for the past twelve months ending March 2026 was high at 80%, indicating low liquidity cushion. However, the recent equity capital infusion of Rs. 67.55 crore has significantly enhanced the financial flexibility of the company.

Rating Sensitivities

Upward Factors

- Sustained increase in topline leading to an increase in profit and GCA and improvement in debt to EBITDA to below 3x.

Downward Factors

- More than expected moderation in the scale of operations and/or deterioration in profit margin impacting the liquidity and debt coverage indicators leading to a deterioration in debt to EBITDA.
- Further elongation in working capital cycle leading to a strain on liquidity

About the Company

NGRL was incorporated as a Private Limited Company on August 18, 1989. It was converted into a Public Limited Company through a shareholders' resolution passed on May 26, 2003. The company got listed on June 3, 2025, on NSE SME (Emerge) platform, following its IPO in May 2025. Mr. Ashok Kumar Bansal is the Chairman of the company, having a vast experience in the paper industry. The Company is engaged in the manufacturing of kraft paper and has been in existence for more than three decades and has its plant located in Shamli, Uttar Pradesh. At present, the installed capacity of the company is approx. 133000 MTPA. The company manufactures Kraft paper ranging from 120 to 230 GSM with 18-25 Burst Factor (B.F.) ranges.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	377.53	356.63
EBITDA	57.64	34.44
PAT	23.02	11.14
Total Debt	178.49	193.78
Tangible Net Worth (TNW)	98.58	173.20
EBITDA Margin (%)	15.27	9.66
PAT Margin (%)	6.07	3.04
Overall Gearing (times)	2.26	1.37
Interest Coverage (times)	3.49	1.90

**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 of Rating Outlook

[Policy on default recognition]

[Complexity level of rated Instruments/Facilities]

Status of non-cooperation with previous CRA: Acuite Ratings through its press release dated May 22, 2026 continued the rating of “NGRL” in the ‘Issuer Not Cooperating’ category on account of inadequate information received from the entity to carry out the review.

Any other information: Nil

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
					-June 24, 2025	-	-
1.	Fund based facilities	LT	120.95	IVR BBB/Negative	IVR BBB/Stable	--	-
2.	Non-fund based facilities	ST	40.00	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
Term Loan 1	NA	NA	NA	August 2028	5.83	IVR BBB/Negative	NA	RBI	Simple
Term Loan 2	NA	NA	NA	June 2028	27.12	IVR BBB/Negative	NA	RBI	Simple
Cash Credit 1	NA	NA	NA	NA	48.00	IVR BBB/Negative	NA	RBI	Simple
Cash Credit 2	NA	NA	NA	NA	40.00	IVR BBB/Negative	NA	RBI	Simple
Letter of Credit 1	NA	NA	NA	NA	20.00	IVR A3+	NA	RBI	Simple
Letter of Credit 2	NA	NA	NA	NA	20.00	IVR A3+	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_Nikita_Greentech_Recycling03_Jun26_2a0ca0c7ba.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Annexure 4: List of companies considered for Consolidated/Combined analysis:

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.

Analytical Contact
Name: Sandeep Khaitan **Tel: (033) 4803 3621** **Email Id: sandeep.khaitan@infomerics.com**

About Infomerics

Infomerics Valuation and Rating Ltd. (“Infomerics”) [Formerly known as Infomerics Valuation and Rating Private Limited], a SEBI-registered and RBI-accredited credit rating agency, is dedicated to delivering independent, transparent, and research-driven ratings. Licensed for credit rating operations since 2015, Infomerics has empowered investors with reliable insights to make informed credit decisions. Driven by robust frameworks and methodologies, enriched by sectoral depth, and defined by analytical precision, Infomerics evaluates a wide spectrum of borrowers including MSMEs, large corporates, banks, NBFCs, state governments, municipal bodies, infrastructure projects, REITs, and InvITs— covering the entire range of debt instruments. With a strong pan-India presence anchored by its Head Office in Delhi and Corporate Office in Mumbai, alongside branches in major cities, Infomerics has rapidly expanded its footprint. Its joint venture in Nepal further underscores its growing influence across South Asia. Over the past decade, Infomerics has emerged as a rapidly expanding force in the credit rating space, achieving broad market recognition and building enduring trust among investors, institutions, and issuers.

For more information and definitions of ratings, please visit www.infomerics.com.

Disclaimer: Infomerics ratings are independent opinions on the credit risk of the issue/issuer as of the date they are assigned and do not constitute statements of fact or recommendations to buy, hold or sell securities. The rating reflects Infomerics’ opinion on the relative credit risk of the rated instrument or entity at the time it is assigned. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are based on information and data provided by the issuer or obtained from sources believed by Infomerics to be accurate and reliable. Infomerics does not conduct any audit, due diligence or independent verification of the rated issuer or of the information provided to it unless specifically required under applicable regulatory guidelines. The credit ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities. While reasonable care has been taken to ensure the accuracy of the information herein, it is provided on an ‘as is’ basis and to the maximum extent permitted by law without warranty of any kind. Infomerics makes no representation or warranty, express or implied, regarding the accuracy, adequacy, timeliness, or completeness of any information contained in this report. All entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Infomerics, or any of its group companies, may have provided other permissible services other than credit ratings to the rated issuer in the ordinary course of business. To the maximum extent permitted by applicable law, in no event shall Infomerics, its affiliates, or their respective directors, officers, shareholders, employees, or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income, lost profits, or opportunity costs) arising from any use of this report. Any person accessing or using this report shall do so at their own risk. Infomerics shall have no obligation to update, revise or supplement this report after its publication except as required under applicable regulatory guidelines. The ratings and reports issued by Infomerics are intended for use in accordance with applicable laws and regulatory requirements governing credit rating agencies in India.

Annexure 2

Nikita Greentech Recycling Limited

(erstwhile Nikita Papers Limited)

June 03, 2026

Facility wise lender names are:

Sl. No.	Lender Name	Type of Facility	Nature	Rated Amount (Rs. Cr)
1	HDFC Bank	Term Loan	Long Term	5.83
2	Punjab National Bank	Term Loan	Long Term	27.12
3	Punjab National Bank	Cash Credit	Long Term	48.00
4	HDFC Bank	Cash Credit	Long Term	40.00
5	Punjab National Bank	Letter of Credit	Short Term	20.00
6	HDFC Bank	Letter of Credit	Short Term	20.00