Nivia Synthetics Private Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	17.28 (Reduced from 18.07)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

While arriving at rating of Nivia Synthetics Private Limited (NSPL), CARE Ratings Limited (CareEdge Ratings) has taken a combined view of NSPL and Freewill Sports Private Limited (FSPL; rated 'CARE A; Stable/ CARE A2+'), together referred to as the group, as both entities are engaged in a similar line of business, have operational and financial linkages, and common promoters and management team.

Reaffirmation of the rating assigned to bank facilities of NSPL continues to derive strength from the group's operational track record, experienced management, and established brand name in the sports industry. The rating further continues to derive strength from the group's stable operational performance, reflected in healthy profitability margins, a comfortable financial risk profile, and strong liquidity position supported by healthy cash flow from operations. However, the rating continues to remain constrained by the group's modest scale of operations, elongated operating cycle, and intense competition from organised and unorganised players in this segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the total operating income (TOI) by 30% or more from current levels and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 14.50% on a combined basis.
- Improvement in the operating cycle of the group below 95 days on a combined basis.

Negative factors

- Decline in scale of operations with TOI by 15% from current level on a combined basis.
- PBILDT margin falling consistently below 11.00% on a combined basis.
- Deterioration in capital structure, as marked by an overall gearing ratio above 0.50x on a combined basis.

Analytical approach: Combined.

Financial and business risk profiles of FSPL and NSPL have been combined considering both the entities are engaged in a similar line of business, have common promoters, and strong operational linkages. Entities combined are mentioned under Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation that the group to sustain its operational performance with steady revenue growth, stable margins, and comfortable financial risk profile.

Detailed description of key rating drivers:

Key strengths

Long operational track record with experienced management: FSPL and NSPL are family-owned businesses, led by Rajesh Kharabanda, Managing Director of both entities. With over three decades of experience in manufacturing, trading, and distributing sports goods and accessories, he brings deep industry knowledge. FSPL, founded in 1934, and NSPL, incorporated in 1992, together reflect a strong and long operational track record.

Established brand name in the sports industry: The group has a diversified product profile with integrated operations. FSPL purchases moulded balls, tennis balls, cricket balls, and other products from NSPL, while sports shoes and socks are procured from another sister concern: Shoe Variants Private Limited (SVPL; rated 'CARE BBB+; Stable/ CARE A2'). Purchases from these sister concerns accounted for ~76% of FSPL's total material costs in FY25, with NSPL alone contributing ~37%. Majority products are sold (through FSPL) under the widely recognised 'NIVIA' brand, which enjoys strong visibility across traditional retail counters, organised retail outlets and organised e-commerce markets. FSPL manufactures balls approved by

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

global and national federations, such as Federation Internationale De Football Association (FIFA), All India Football Federation, Volleyball Federation of India, and Fédération Internationale de Basketball (FIBA), among others. The group has served as an official equipment sponsor for major tournaments, including Indian Super League, and Football Championship League, among others. This has led to further brand visibility and credibility.

Healthy profitability margins: The group's established brand name and promoters' extensive experience has enabled the group to maintain healthy profitability margins in the last three years ending FY25. However, profitability marginally moderated in FY25, as reflected by PBILDT margin of 12.93% (PY: 13.53%) due to moderation in group's scale of operations caused by subdued demand in FY25.

Comfortable financial risk profile: The group's financial risk profile is comfortable due to low reliance on external debt, healthy net worth base of ₹273.87 crore as on March 31, 2025, and consistent healthy cash flow from operations (₹54.30 crore in March 2025). Consequently, the group's overall gearing ratio remained low at 0.06x as on March 31, 2025, and debt coverage indicators remained strong with an interest coverage ratio and total debt to gross cash accruals (TD/GCA) of 26.06x and 0.44x, respectively, in FY25.

Key weaknesses

Modest scale of operations: The group's scale of operations remains modest, with a TOI of ₹384.96 crore in FY25 compared to ₹423.06 crore in FY24 (after adjusting intergroup sales of ₹93.14 crore in FY25). The marginal moderation was due to subdued macroeconomic conditions, which resulted in weak product demand. However, with improvement in macroeconomic conditions in FY26, increased government expenditure, launch of new products, and group's strategic shift towards enhanced marketing to receive higher customer orders, CareEdge Ratings expects healthy revenue growth in FY26 and FY27. On a standalone basis, NSPL continues to operate on a small scale with TOI of ₹107.98 crore in FY25 (PY: ₹110.51 crore), leading to differentiation in its rating.

In H1FY26 (refers to April 01, 2025, to September 30, 2025), the group achieved sales of ₹293.93 (before adjusting intergroup sales) compared to ₹251.82 crore in H1FY25.

Elongated operating cycle: The group's operating cycle remained elongated at 144 days in FY25, compared to 130 days in FY24. At FSPL's level, sales typically peak in Q4, coinciding with year-end sports tournaments that drive demand. To ensure uninterrupted operations, the group maintains adequate raw material and finished goods inventory across multiple product categories, resulting in an average inventory holding period as of ~90 days as on March 31, 2024 (PY: 85 days). FSPL generally offers a credit period of 15-90 days to its dealers, leading to group's average collection period of 92 days as on March 31, 2025 (PY: 89 days). The group procures most raw materials and traded goods domestically (including SVPL). Some portions of payments are made in advance and the balance is settled within a credit period of ~30-60 days. This resulted in creditor period of 37 days at March 31, 2025 (PY: 44 days). Given the nature of operations, operating cycle is expected to remain at similar levels going forward.

Highly competitive industry: The group operates in a fragmented industry with low entry barriers, where demand for sports and fitness products is spread among numerous organised and unorganised players across domestic and international markets. However, the group is continuously modernising its manufacturing facilities with strong research and development, to match upcoming demands from domestic and export segments. The group has a network of ~1500 wholesalers and retailers across India, engaged in trading manufactured and imported sports goods and fitness products.

Rising lifestyle-related health issues such as heart diseases, obesity, and hypertension are driving consumer awareness toward physical fitness. Growing youth population (15-34 years age group) and increasing number of gyms and health clubs are driving the growth of sports and fitness equipment market in India.

Liquidity: Strong

The group's liquidity position remains strong with consistent strong cash flow from operations (₹54.30 crore in FY25) and absence of major debt repayment obligations in the near-to-medium-term. This has resulted in adequate unencumbered cash reserves and liquid investments in the form of fixed deposit receipts (FDRs) and mutual funds of ₹59.29 crore as on September 30, 2025 (₹59.08 crore as on March 31, 2025) and is expected to remain at similar levels in future years. Additionally, the group's liquidity profile supported by sufficient buffer in unutilised working capital bank limits, with average utilisation of ~10%-15% for the last 12-months ended September 2025. The group reported gross cash accruals (GCA) of ₹40.10 crore in FY25 and expects to generate GCA of ~₹50.00 crore in FY26 against repayment obligations of ₹4.41 crore in the same period. Apart from

routine capex, the group's ongoing capex of ~₹30.00 crore is fully funded from internal accruals for setting up a new manufacturing unit (C2 building) adjacent to existing facilities.

Applicable criteria

Consolidation & Combined Approach
Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Leisure products

Incorporated in July 1992, NSPL is engaged in manufacturing sports goods and allied accessories such as molded balls (basket balls, volley balls, hand balls, footballs), cricket balls, tennis balls, laminated balls and footwear soles. NSPL is part of the Jalandhar-based 'Freewill' group, which has an established presence in the sports goods industry, with FSPL as its flagship company. NSPL operates from three manufacturing facilities in Jalandhar, Punjab and primarily manufactures for FSPL. The products are sold under the well-known 'NIVIA' brand through wholesalers, retailers, and multiple online platforms across India.

Brief Financials (₹ crore) - Combined	March 31, 2024 (UA)	March 31, 2025 (UA)	H1FY26 (Prov.)^
Total operating income	423.06	384.96	293.93
PBILDT*	57.22	49.78	33.23
Profit after tax (PAT)	36.50	28.01	19.14
Overall gearing (times)	0.09	0.06	NA
Interest coverage (times)	52.22	26.06	52.75

UA: Unaudited; Prov.: Provisional; NA: Not Available; Note: these are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and taxation.
^refers to period from April 01, 2025 to September 30, 2025. H1FY26 financials are before adjusting inter group transactions.

Brief Financials (₹ crore) - NSPL	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)^
Total operating income	110.51	107.98	61.57
PBILDT*	12.81	11.48	7.06
Profit after tax (PAT)	6.17	5.03	3.26
Overall gearing (times)	0.18	0.08	NA
Interest coverage (times)	13.30	19.15	22.77

A: Audited; Prov.: Provisional; NA: Not Available; Note: these are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and taxation.
^refers to period from April 01, 2025 to September 30, 2025.

Status of non-cooperation with previous CRA: Brickwork Ratings has continued to place ratings assigned to bank facilities of NSPL under "Issuer Not-Cooperating" category, vide its press release dated February 24, 2025, considering its inability to carryout review in the absence of requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	12.00	CARE A-; Stable
Fund-based - LT-Term Loan	-	-	-	September, 2030	5.28	CARE A-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	5.28	CARE A-; Stable	-	1)CARE A-; Stable (05-Nov-24)	1)CARE A-; Stable (06-Nov-23)	1)CARE A-; Stable (05-Jan-23)
2	Fund-based - LT-Cash Credit	LT	12.00	CARE A-; Stable	-	1)CARE A-; Stable (05-Nov-24)	1)CARE A-; Stable (06-Nov-23)	1)CARE A-; Stable (05-Jan-23)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Freewill Sports Private Limited	Full	Operational and financial linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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