

Rating Rationale

11 May 2026

Borana Weaves Ltd.(erstwhile Borana Weaves Pvt. Ltd.)

Brickwork Ratings upgrade/assigns the long term and short term ratings for the Bank Loan Facilities of Rs. 122.32 Crs. of Borana Weaves Ltd.

Particulars:

Facilities**	Amount Rs. Cr.		Tenure	Rating	
	Previous	Present		Previous (11 Feb 2025)	Present
Fund Based					
Fund Based	47.80	36.82	Long Term	BWR BBB /Stable Assignment	BWR BBB + /Stable Upgrade
	25.50	45.50		BWR BBB /Stable Assignment	BWR BBB + /Stable Upgrade
	-	40.00		-	BWR BBB+/Stable Assignment
Non-Fund Based	-	(23.00)	ShortTerm	-	BWR A2 Assignment
Sub Total	<i>73.30</i>	122.32			
Grand Total	73.30	122.32	(Rupees One Hundred Twenty Two Crores and Thirty Two lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings upgraded/assigned the long-term & Short-term Ratings of “BWR BBB+/Stable/BWR A2” for the bank loan facilities of Rs. 122.32 Cr. of Borana Weaves Ltd.

Brickwork Ratings (BWR) has upgraded/Assigned the ratings of Borana Weaves Ltd. (the company), considering factors such as Extensive experience of the promoters in the textile industry, an Above-Average financial risk profile, Benefits Derived from the Company Being Part of the Borana Group with a Long-Standing Track Record, and Location Advantage. However, the ratings are constrained by intense competition in the textile and fragmented industry. The company's revenue is largely dependent on grey fabric.

The rating outlook has been retained as "Stable" as BWR believes that Borana Weaves Ltd., business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the scale of operations and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

For assigning the rating, BWR has relied upon the last 3 years of audited financials till FY25 and 9MFY26 projected financials for FY26, FY27, and FY28, and publicly available information and clarification provided by management.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

KEY RATING DRIVERS

Credit Strengths-:

- **Experienced promoters and long operational track record :**

The promoters of the company have been involved in the textile business for over 20 years. The Chairman and Managing Director, Mangilal Ambalal Borana, has more than 24 years of experience in the textile industry. The Borana family has extensive experience in the textile sector. Additionally, production facilities are located in Surat, Gujarat, which is a major hub for the processing and manufacturing of textiles that is easily accessible to a sizable clientele. The company has reported a revenue of Rs 287.86 crore in 9MFY26, driven by overall volume growth due to an increase in demand in all segments, mainly the Polyester yarn and fabric division.

- **Above-average financial risk profile :**

The financial risk profile was comfortable, supported by a healthy capital structure and above-average debt protection metrics despite large capital expenditure (capex). Networth was moderate at Rs 86.21 crore as on March 31, 2025, and is estimated at Rs 244.43 crore as on March 31, 2026. Owing to moderate external borrowing, the total outside liabilities to net worth (TOL/TNW) ratio is estimated to be 0.79 times as on March 31, 2025, despite capex incurred in FY2026 and FY2027. Debt protection metrics were comfortable, as reflected in estimated interest coverage and net cash accrual to total debt ratios of 12.29 times and 0.90 times, respectively, in FY2025. The financial profile is estimated to remain at similar levels over the medium term.

- **Benefits Derived from the Company Being Part of the Borana Group with a Long-Standing Track Record :**

Borana Weaves Limited is a part of the Surat-based Borana Group, which has over three decades of experience in the textile industry through various group entities in the cotton, Grey yarn, and man-made fabric segments. BWL benefits from an established customer and supplier base. Over the years, the group has set up different units to avail of various tax benefits.

- **Location Advantage :**

The manufacturing facility of Borana Weaves Ltd. is located at Hojiwala Industrial Estate, Surat, which is known as the textile city of Gujarat and the Silk City of India. Surat is also the largest producer of man-made fibers and filament fabrics, accounting for around 40% of the country's production. Therefore, BWL's presence in this textile hub has provided significant benefits in terms of easy access to raw materials and labour.

Credit Risks:-

- **Intense competition in the textile and fragmented industry :**
The Company operates in a highly competitive and fragmented textile industry. The company witnesses intense competition from both organized and unorganized players domestically. This fragmented and highly competitive industry results into price competition thereby posing a threat to the profit margins of the companies operating in the industry.
- **The company's revenue is largely dependent on grey fabric :**
The company is heavily reliant on the sale of grey fabric. Any reduction in the sale of grey fabric, or in the ability to produce and sell grey fabric, or a decline in the price at which it can be sold, may adversely affect the business, results of operations, cash flows, and financial condition.

ANALYTICAL APPROACH - Standalone

Standalone - For arriving at its ratings, BWR has considered the standalone performance of Borana Weaves Ltd. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the ability of the company to increase its scale of operations, improve profitability, efficiently manage its working capital, and strengthen its overall credit profile would be the key rating sensitivities.

Positive:

- Substantial improvement in scale of operation and operating margins over 23%, leading to higher cash accruals
- Sustenance of the financial risk profile and liquidity
- Diversification in the customer base and into other geographies

Negative:

- Decline in scale of operations and profitability margin below 22%, hence leading to lower net cash accrual.
- Large debt-funded capital expenditure weakens capital structure
- Witnesses a substantial increase in its working capital requirements thus weakening its liquidity & financial profile.

LIQUIDITY INDICATORS - Adequate

The company's liquidity position is adequate. Net cash accruals stood at Rs 53.03 Crs and Rs 78.16 Crs against CPLTD of Rs 8.93 Crs and Rs 13.90 Crs in FY25 and FY26 (projected), respectively. In FY27, the company is estimated to generate net cash accruals of Rs 134.57 Crs against an annual CPLTD repayment of Rs 15.55 Crs. The current ratio was comfortable at 2.62 times in FY25 (audited). The company had a moderate conversion cycle of 43 days and a moderate gearing ratio of 0.79 times in FY25. Cash and cash equivalents stood at Rs 0.04 Crs in FY25. Average utilisation of working capital limits with HDFC Bank 29% over the last 12 months; Mehsana Urban Co-operative Bank and Sutex Co-operative Bank remained low, ranging between 2% to 3% over the past 12 months.

COMPANY's PROFILE

Borana Weaves Private Limited was incorporated in October 2020 and converted to a public limited company on 10.09.2024. It is part of the Surat-based Borana Group. The company is promoted by Mr. Mangilal Ambalal Borana, Mr. Rajkumar Borana, and Mr. Ankur Borana, members of the Borana family. Borana Weaves Limited is engaged in the manufacturing of texturized yarn and polyester grey fabrics and synthetic greige fabrics, serving diverse sectors including apparel, home decor, and technical textiles. The company's first unit (Unit 1) began operations in 2021. As of now, Borana Weaves operates four manufacturing units in Surat, Gujarat, equipped with textile manufacturing technologies, including texturizing, warping, water jet looms, and textile folding.

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

EGS Profile

The company demonstrates an Adequate ESG profile based on its environmental, social, and governance practices.

Environmental: Environmental risks are driven by high water usage, waste generation, and reliance on energy-intensive processes. A partnership with group company Hojiwala Infra Ltd. recycles 640 million liters of water annually, significantly reducing environmental footprint. The company makes disclosures on water consumption, waste-management practices, renewable energy share, and emissions levels.

Social: Social factors hinge on adherence to labour laws, accident prevention frameworks, and human-capital development, with metrics such as workforce safety performance and training initiatives offering insights into operational resilience.

Governance: Governance assessment focuses on board independence, committee effectiveness, and robustness of compliance systems, supported by readily available disclosures on board structure, audit mechanisms, and risk-management practices.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY 23 -24	FY 24 -25	FY 25 - 26
Result Type		Audited	Audited	9M FY26
Operating Revenue	Rs. Crs.	199.06	290.31	287.86
EBITDA	Rs. Crs.	41.22	63.28	65.90
PAT	Rs. Crs.	23.59	40.20	47.40
Tangible Net Worth	Rs .Crs.	46.13	86.21	Not Available
Total Debt / Tangible Net Worth	Times	1.50	0.68	Not Available
Current Ratio	Times	1.32	2.62	Not Available

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

Credit Rating Agency	Status and Reason for Non-Cooperation	Date of Press Release
CARE	Due to non-submission of the relevant information.	26Dec2025

ANY OTHER INFORMATION:

Not Applicable

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Facilities	Current Rating (2026)			2025			2024		2023	
	Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Amount (Rs.Crs.)	Rating	Date	Rating	Date
Fund Based	LT	82.32	BWR BBB+/Stable (upgrade)	11 Feb 2025	73.30	BWR BBB /Stable (Assignment)	NA	NA	NA	NA
Non-Fund Based	ST	40.00 (23.00)	BWR BBB+/Stable (Assignment) BWR A2 (Assignment)							

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Manufacturing Company](#)
- [Short Term Debt](#)

Analytical Contacts

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Borana Weaves Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sr. No	Name of the Bank	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument
1	HDFC Bank	Term Loan - Outstanding	26.60	-	26.60	Simple##
		Term loan- Sanctioned	40.00	-	40.00	Simple##
		Cash Credit - Sanctioned	23.00	-	23.00	Simple##
		Letter of Credit (Sublimit of CC)	(23.00)	-	(23.00)	Simple##
2	The Mehsana Urban Co-operative Bank	Term Loan - Outstanding	6.20	-	6.20	Simple##
		Cash Credit - Sanctioned	7.00	-	7.00	Simple##
3	The Sutex Co-operative Bank	Term Loan - Outstanding	4.02	-	4.02	Simple##
		Cash Credit - Sanctioned	15.50	-	15.50	Simple##
Total			122.32	-	122.32	
(Rupees One Hundred Twenty Two Crores and Thirty Two lakhs Only)						

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / [download](#) / [ComplexityLevels.pdf](#). Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III

List of entities consolidated

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

List of Instruments and Regulators

Instrument / Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) 1	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) 1	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) 1	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs 2	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme 3	-
Issuer Ratings 4	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) 1	Investor-side Regulator such as IRDAI, PFRDA 5
Monitoring Agency	SEBI

Research activities, incidental to rating, such as research for Economy, Industries and Companies 6

NA

1. Includes securitisation transactions involving assignee payout, acquirer's payout.
2. Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
3. 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 PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.
4. There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
5. 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.
6. Permitted by SEBI vide SEBI Master Circular for CRAs

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Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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