



Borana Weaves Limited

Issue Opens - May 20, 2025 to May 22, 2025

Price Band
₹205 to ₹216

Face Value
₹10

Issue Size
₹144.89 Cr

Lot Size
69 Shares

Listing At
NSE, BSE

Issue Size

67,08,000 shares/ ₹144.89 Cr

Fresh Issue

67,08,000 shares/ ₹144.89 Cr

Offer for Sale

N/A

Tentative Allotment

Fri, May 23, 2025

Initiation of Refunds

Mon, May 26, 2025

Credit of Shares to Demat

Mon, May 26, 2025

"Borana Weaves" Listing Day

Tue, May 27, 2025



Objects of The Offer

The Company proposes to utilize the Net Proceeds towards funding the following objects :

1. Borana Weaves, as outlined in its Red Herring Prospectus (RHP), will utilize the net proceeds from the public issue to finance the cost of establishing a new manufacturing unit to expand its production capabilities to produce grey fabric in Surat, Gujarat, India. The company will further use the IPO proceeds for funding incremental working capital requirements and general corporate purposes.

Brief profile of the Directors

Mangilal Ambalal Borana serves as the Chairman and Managing Director of the Company and is one of the founding Promoters of Borana Weaves. With over 24 years of experience in the textile industry, he has also held directorial roles at Sachin Paper Mills Private Limited and Borana Filaments Private Limited for over two decades.

Ankur Mangilal Borana is the Executive Director and Chief Executive Officer of Borana Weaves and a Promoter of the Company. A commerce graduate from South Gujarat University, Surat, he has over 13 years of industry experience. He also serves on the boards of Borana Automobiles Private Limited, Borana Filaments Private Limited, Hojiwala Infrastructure Limited, Ricon Textile Private Limited, and R & B Denims Limited, where he is also an Executive Director. He is a partner in Borana Industries LLP, Rawatkhedha Silk Mill LLP, and Wealthford Consultancy LLP.

Rajkumar Mangilal Borana, Executive Director and Chief Financial Officer, is also a Promoter and a commerce graduate from South Gujarat University. With 13 years of textile experience, he serves on the boards of several companies including R & B Denims Limited and Aether Industries Limited. He is also a partner in three LLPs.

Kanav Shayamsunder Arora is an Independent Director of Borana Weaves. He has passed bachelor's in engineering (textile processing) from Veer Narmad South Gujarat University. In addition to being on the board of our Company, he serves on the board of R & B Denims Limited, Landmark Agglo Decor Private Limited, Credence Ecofibre Private Limited and Nakshatra Creations Private Limited.

About The Company and Business Overview



Borana Weaves Limited operates primarily in the textile manufacturing sector, specializing in the production of unbleached synthetic grey fabric, which is a foundational material used extensively in industries such as fashion, traditional textiles, technical textiles, home décor, and interior design. Here is a detailed summary of Borana Weaves' business model:

Business Model of Borana Weaves Limited

- **Core Product Focus:** The company manufactures unbleached synthetic grey fabric, which is a semi-processed fabric used as a base for further processing like dyeing, printing, and finishing. This fabric is essential for various downstream textile applications.
- **Product Range:** Apart from grey fabric, Borana Weaves produces polyester textured yarn (PTY Yarn) by heating polyester-oriented yarn (POY Yarn), which is then used in making grey fabric. The company thus integrates yarn production with fabric weaving.
- **Manufacturing Capabilities:** Borana Weaves operates a state-of-the-art manufacturing facility in Surat, Gujarat, equipped with 700 high-speed water jet looms. This technology ensures efficient, high-quality fabric production with uniform texture, lower waste, and sustainable processes (e.g., water recycling and reduced energy consumption).
- **Production Capacity and Expansion:** The company currently has a production capacity of approximately 233 million meters per annum across three units and is expanding with a fourth unit adding around 113 million meters capacity, increasing total capacity by 48% to about 346 million meters per annum. This expansion aims to meet growing demand and scale operations.
- **Market Positioning:** Borana Weaves focuses on a niche segment of synthetic grey fabrics, catering to fashion, sportswear, home décor, and technical textiles markets. The company leverages its location in Surat, a textile hub, for easy access to raw materials and customers.



Revenues by product segment

The table below sets forth the contribution of grey fabric and PTY Yarn to their revenue from operations in the relevant periods, as per the Restated Financial Information:

Particulars	For the period/ Financial Year ended on							
	Nine months period ended December 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Revenue from sale (₹ in lakh)	% of revenue from operations	Revenue from sale (₹ in lakh)	% of revenue from operations	Revenue from sale (₹ in lakh)	% of revenue from operations	Revenue from sale (₹ in lakh)	% of revenue from operations
Grey fabric	17,827.13	84.24	14,366.13	72.17	8,541.31	63.08	1,941.08	45.85
Yarn	3,032.02	14.33	5,260.17	26.43	4,572.53	33.77	2,149.76	50.78
Other Product	302.37	1.43	279.26	1.40	426.06	3.15	142.57	3.37
Total	21,161.52	100.00	19,905.56	100.00	13,539.90	100.00	4,233.40	100.00

Set out in the table below is the share of their top one, top five and top ten customers in their revenue from operations for the Fiscals 2024, 2023 and 2022 and six months period ended September 30, 2024:

Customer concentration	Six months period ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ in lakh)	% of revenue from operations	Revenue (₹ in lakh)	% of revenue from operations	Revenue (₹ in lakh)	% of revenue from operations	Revenue (₹ in lakh)	% of revenue from operations
Top 1	1,441.32	10.83%	3,282.93	16.49%	3,542.58	26.15%	1,472.63	34.77%
Top 5	4,758.43	35.76%	7,765.97	39.00%	6,803.38	50.22%	2,775.30	65.53%
Top 10	7,002.93	52.64%	10,901.59	54.75%	8,557.83	63.18%	3,373.35	79.65%

Note: As certified by KSA & Co., Chartered Accountants by way of their certificate dated November 16, 2024.

Statement of Profit and Loss



Borana Weaves Limited

(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the Six Months period ended 30 September 2024 (₹ in Lakhs)	For the year ended 31 March 2024 (₹ in Lakhs)	For the year ended 31 March 2023 (₹ in Lakhs)	For the year ended 31 March 2022 (₹ in Lakhs)
Income				
Revenue from operations	13,303.48	19,905.56	13,539.90	4,233.40
Other income	404.25	54.90	12.94	2.70
Total Income	13,707.73	19,960.47	13,552.84	4,236.11
Expenses				
Cost of materials consumed	8,259.22	12,302.04	8,696.31	3,062.38
Changes in inventories of finished goods and work-in-progress	-30.77	-54.12	-68.32	-12.05
Employee benefits expense	952.26	1,790.77	927.93	211.93
Finance costs	276.68	417.80	221.04	139.50
Depreciation and amortisation expense	664.61	915.23	408.54	161.52
Other expenses	1,328.42	1,749.56	1,377.57	453.69
Total Expenses	11,450.41	17,121.29	11,563.07	4,016.97
Profit before exceptional items and tax	2,257.32	2,839.18	1,989.77	219.14
Exceptional items	-72.57	0.04	-	-
Profit before tax	2,184.75	2,839.22	1,989.77	219.14
Tax expense:				
Current tax	415.75	601.01	353.69	31.61
Deferred tax	-31.95	-20.43	5.11	7.66
Previous Year Tax Adjustment	10.53	-	0.88	-
Total Tax Expenses	394.33	480.58	359.68	39.28
OX Profit/(Loss) for the period from continuing operations	1,790.42	2,358.64	1,630.09	179.86
Earnings per equity share				
Basic	8.08	11.83	10.88	3.59
Diluted	8.08	11.83	10.88	3.59



- **Focused Niche Market:** Specializes in unbleached synthetic grey fabric, allowing deep expertise and operational efficiency in a niche product segment catering to fashion, technical textiles, home décor, and interior design industries.
- **Technological Advancement:** Operates 700 high-tech water jet looms and advanced machinery that ensure high production efficiency, superior fabric quality, uniform texture, lower waste, and sustainable manufacturing by reducing energy consumption and eliminating harmful chemicals.
- **Strong Market Reputation:** Known for quality, reliability, and commitment to sustainable practices, earning trust and preference among domestic customers.
- **Growing Scale and Operational Efficiency:** Demonstrated strong revenue growth (47% growth in FY24) and high utilization rates in manufacturing units, reflecting operational scalability and efficiency.

Key Risk Factors

- **Intellectual Property Risk:** Lack of registered trademarks for corporate logos exposes the company to potential infringement, loss of goodwill, and costly legal disputes, which could impact reputation and financial performance.
- **Highly Competitive Industry:** Operates in a fragmented and competitive textile sector with pricing pressures from both organized and unorganized players, which may compress operating margins and profitability.
- **Dependence on Raw Material Suppliers:** Heavy reliance on suppliers for POY Yarn, the primary raw material, without long-term supply agreements, exposes the company to supply disruptions and price volatility.
- **Raw Material Price Volatility:** Polyester yarn prices are linked to crude oil prices, making profit margins vulnerable to fluctuations in raw material costs. The company has limited bargaining power due to the fragmented supplier market.
- **Financial and Liquidity Risks:** Past negative cash flows, unsecured loans repayable on demand, and contingent liabilities (bank guarantees) pose liquidity risks. Restrictive covenants on loans may limit operational flexibility³.
- **Dependence on Government Policies:** While benefiting from industry growth, any slowdown or change in government incentives or export policies could impact business prospects.

Valuation and Outlook



Borana Weaves Limited IPO is expected to be priced between ₹205 to ₹216 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of **24.62x**

Major Textile Players	Revenue from Operations (INR Million)	EBITDA (INR Million)	PAT (INR Million)	EBITDA Margin (%)	PAT Margin (%)
Jindal Worldwide Limited	18,61,424	1,48,712	67,486	8%	4%
Vardhman Textiles Ltd.	92,990	12,919	6,076	14%	7%
Arvind Ltd.	71,005	7,676	3,049	11%	4%
KPR Mill Ltd.	40,537	7,992	5,549	20%	14%
Gokaldas Exports Ltd	23,789	2,841	1,310	12%	6%
Shahlon Group	3,109	287	40	9%	1%
Borana Weaves	1,991	414	236	21%	12%

Borana Weaves – Strong Growth Momentum with Promising Outlook:-

In FY2024, Borana Weaves Limited delivered a robust performance with a 47% rise in consolidated sales to ₹199.06 crore. Operating profit grew 58% to ₹41.17 crore, supported by improved margins (OPM at 20.68%). Net profit rose 44.7% to ₹23.59 crore, while EPS stood at ₹8.85. this growth to its shift to water jet looms, boosting efficiency and margins. At ₹216 per share, the FY24 P/E is 24.4x, indicating a fully priced issue with a market cap of ₹575.5 crore.

Borana's focus on innovation, capacity expansion, and high-margin product diversification positions it ahead of peers. With India's polyester demand expected to reach 6.7 million tonnes by 2025 and global man-made fibre demand rising, Borana is poised for long-term gains in both domestic and international markets.

"Call us on 8448899576" to find out whether or not you should apply.

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