

December 9, 2025

Borosil Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term-Fund-based – Cash credit	2.00	2.00	[ICRA]AA- (Stable); Reaffirmed
Long-term/short-term – Fund-based	135.00	135.00	[ICRA]AA- (Stable)/[ICRA]A1+; Reaffirmed
Short-term – Non-fund based	1.20	1.20	[ICRA]A1+; Reaffirmed
Long-term – Fund-based – Term loans	67.56	100.00	[ICRA]AA- (Stable); Reaffirmed
Unallocated limits	78.79	46.35	[ICRA]AA- (Stable)/[ICRA]A1+; Reaffirmed
Total	284.55	284.55	

*Instrument details are provided in Annexure I

Rationale

The ratings consider Borosil Limited's (BL or the company) established brand presence in the consumer-ware business and its diverse product portfolio, which includes glassware, glass microwavable products, non-glassware (primarily vacuum-insulated stainless-steel bottles, flasks, and containers sold under the hydra range, and small kitchen appliances), and opalware categories. BL benefits from a well-entrenched domestic distributor network of around 250 distributors and more than 24,000 retailers, along with a diversified customer base comprising reputed institutional clients. Established brand presence, healthy demand and periodic capacity expansions have resulted in a healthy scale-up of operations, with revenue growing at a compounded annual growth rate (CAGR) of 21% during FY2023-25.

The company's revenue recorded a healthy year-on-year (YoY) growth of 16% in FY2025, driven by strong growth in the glassware and appliances segments, while growth in the opalware segment remained moderate at around 7-8%, constrained by intense competition and pricing pressures in a saturated market. For FY2026, ICRA expects the company to register mid-to-high single digit revenue growth, despite challenges in the opalware category, supported by healthy demand in appliances and glassware. The company's operating margins remained healthy at around 14-15% in FY2025 and H1 FY2026. ICRA notes that the shift to domestic procurement in the hydra segment, following the implementation of BIS/QCO compliance requirements in June 2024, has limited margin improvement in the recent past. However, the company's margins are expected to improve over the medium term, supported by benefits from operating leverage with scale-up of operations, reduced power costs post commissioning of new solar capacity, and improved product mix. Moreover, in-house manufacturing of Hydra-segment products following the commissioning of the capacity in Q4 FY2026 is expected to support margin improvement.

The ratings also draw comfort from the company's healthy financial profile, characterised by a comfortable capital structure and coverage metrics, as indicated by gearing of 0.1 times, total debt/OPBITDA of 0.6 times, and interest coverage of 12.1 times as of March 2025. Its debt levels reduced in the last two years, supported by an equity infusion of Rs. 150 crore raised through QIP in June 2024. Despite the moderate debt-funded capex plans towards the solar power plant and hydra manufacturing, its debt metrics are expected to remain comfortable going forward.

However, the ratings remain constrained by BL's high working capital intensity, stemming from inherently large inventory requirements across its wide product portfolio and exposure to substitution risks from alternative products. Additionally, intense competition from both organised and unorganised players in the consumer-ware industry exerts pricing pressure on the company's business. BL's profitability is also exposed to foreign currency fluctuation risk due to its reliance on imports,

although this is partially mitigated by its hedging through exports; moreover, the company is gradually moving towards domestic procurement and in-house manufacturing.

The Stable outlook on BL's rating reflects ICRA's opinion that its credit profile will remain comfortable on the back of expected growth in revenues and earnings, benefitting from its established brand presence in the consumer-ware product business and growing customer preference for premium dining ware.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in table and kitchenware business - The promoters have extensive experience, and the company has a strong track record in the table and kitchenware segment. Over the years, BL has established itself as a well-recognised brand in the domestic market for table and kitchenware products.

Diversified product offering with presence in glassware, non-glassware and opalware - BL has a diversified product portfolio with presence across the glassware, opalware, and non-glassware segments, catering to all major categories of table and kitchenware, including opalware, glass microwavable products, tumblers, and small kitchen appliances, along with its hydra range of vacuum-insulated bottles and containers. The company doubled its opalware capacity to 84 TPD in January 2023 and commissioned a borosilicate furnace of 25 TPD in March 2024, which has supported revenue growth and margin expansion given the reduced outsourcing. Further, BL is setting up a dedicated hydra manufacturing facility in Rajasthan. Ramp-up of the capacity additions in the past few years along with a favourable demand outlook for consumer ware, are expected to drive revenues and earnings, going forward. The company's financial profile has also strengthened following the Rs. 150-crore equity infusion through QIP in June 2024, which was utilised to reduce debt. ICRA expects BL's debt metrics to remain strong over the medium term despite the debt funded capex undertaken.

Strong distribution network; established and diversified customer base - BL has a well-entrenched network of around 250 distributors and more than 24,000 retailers across the country. It also engages in institutional and business-to-business (B2B) sales, along with strong channel distribution through e-commerce/quick commerce and large format stores. Moreover, it has an established client base with several repeat customers owing to its established brand presence over the years.

Credit challenges

Commensurate returns from capex remains critical from credit perspective – The company undertook significant capex over the past few fiscals towards enhancing opalware capacity, commissioning a borosilicate furnace, and adding solar power capacities. It is also further expanding its solar power capacity and setting up a new plant for manufacturing the hydra range of products, which is expected to commence operations in Q4 FY2026. The company's ability to achieve healthy capacity utilisation and generate commensurate returns from these investments, without any material time or cost overruns, along with continued scale-up from the earlier completed capex, will remain a key monitorable.

Working capital-intensive nature of operations because of high inventory requirement - The company's operations remain highly working capital-intensive owing to elevated inventory requirements as well as inventory build-up for seasonal festive demand. With over 1,500 types of products sold under the 'Borosil' and 'Larah' brands, the company must maintain high levels of inventory at warehouses to promptly service its customer requirements. Additionally, inventory levels were elevated in FY2025 due to advance stocking of imported products in the hydra and appliances segment, while inventory build-up due to slower retail movement on account of heavy rainfall and GST-related uncertainty led to higher stock levels as of September 2025.

Environmental and social risks

Environmental considerations: Glass production involves atmospheric emissions from melting activities. The manufacturing process also results in wastewater generation. The waste generated from the plants or processes is recycled and reused through wastewater treatment plants, leading to a reduction in freshwater intake. Any lapse in waste management or emission control policies can attract fines or punitive action that can impact business continuity.

Social considerations: Considering the labour-intensive nature of its operations, BL is exposed to the risk of disruption from its inability to properly manage human capital in terms of employee safety and overall well-being. BL is also exposed to a shortage of skilled workforce and exposure to chemicals, which can impact operations. However, the company conducts regular training and development programmes for the professional development of employees and improvement in participation and teamwork. The company primarily uses glass in its manufacturing process, which is a sustainable material. It is 100% recyclable, does not lead to harmful carcinogens, and does not pollute water. Demand for the company's products is likely to be supported by shifting consumer preference towards sustainable (100% recyclable) products such as glassware compared with plastic substitutes.

Liquidity position: Strong

BL's liquidity position is strong, supported by a likely retained cash flow of around Rs. 130-140 crore in the next 12 months, and free cash, bank balances, and investments of Rs. 62.6 crore as of September 2025. It is further noted that the company has a sizeable buffer of around Rs. 130 crore against its working capital limits as of September 2025. Against these, the company has debt repayments of Rs. 16 crore and planned capex of Rs. 140-150 crore in the next 12 months, which would also be funded partly through term loans of around Rs. 100 crore in the current fiscal.

Rating sensitivities

Positive factors – ICRA may upgrade BL's long-term rating if the company demonstrates healthy growth in the scale of operations across segments while maintaining healthy profitability and debt metrics.

Negative factors – Pressure on the ratings could arise from deterioration in revenues, earnings, or any large debt-funded capex that weakens the overall financial profile. A stretched working capital cycle affecting the company's liquidity position could also impact the ratings. A specific metric that could lead to ratings downgrade is total debt/OPBDITA rising above 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Borosil Limited and its subsidiaries as of September 2025.

About the company

Borosil Limited is engaged in the manufacturing and sales of glass microwaveable table and kitchenware, opalware, and non-glassware, which includes hydra products and small kitchen appliances. It sells its products through more than 24,000 retail outlets. It has a manufacturing facility at Jaipur (Rajasthan). BL was also engaged in the manufacturing of scientific and industrial products, including laboratory glassware, laboratory instruments, pharma packaging, and the process chemistry business, which was demerged into a different entity in December 2023. The glass microwaveable table and kitchenware products and non-glassware products are sold under the flagship 'Borosil' brand, while opalware products are sold under the 'Larah' brand.

Key financial indicators (audited)

BL (consolidated)	FY2024	FY2025
Operating income*	943.2	1,089.6
PAT	65.9	74.2
OPBDITA/OI (%)*	14.4%	14.2%
PAT/OI (%)	7.0%	6.8%
Total outside liabilities/Tangible net worth (times)	0.9	0.4
Total debt/OPBDITA (times)	1.2	0.6
Interest coverage (times)	15.5	12.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation * as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Dec 9, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash Credit	Long-term	2.00	[ICRA]AA- (Stable)	Nov 6, 2024	[ICRA]AA- (Stable)	Dec 22, 2023	[ICRA]A+ (Stable)	Sep 20, 2022	[ICRA]A+&
Fund-based	Long-term/Short-term	135.00	[ICRA]AA- (Stable)/[ICRA]A1+	Nov 6, 2024	[ICRA]AA- (Stable) / [ICRA]A1+	Dec 22, 2023	[ICRA]A+ (Stable) / [ICRA]A1+	Sep 20, 2022	[ICRA]A+&/ [ICRA]A1+&
Non-fund based	Short-term	1.20	[ICRA]A1+	Nov 6, 2024	[ICRA]A1+	Dec 22, 2023	[ICRA]A1+	-	-
Fund based – Term Loan	Long-term	100.00	[ICRA]AA- (Stable)	Nov 6, 2024	[ICRA]AA- (Stable)	Dec 22, 2023	[ICRA]A+ (Stable)	Sep 20, 2022	[ICRA]A+&
Unallocated Limits	Long-term/Short-term	46.35	[ICRA]AA- (Stable) / [ICRA]A1+	Nov 6, 2024	[ICRA]AA- (Stable) / [ICRA]A1+	-	-	-	-
Non-fund based	Long-term/Short-term	-	-	-	-	-	-	Sep 20, 2022	[ICRA]A+&/ [ICRA]A1+&

&: Rating Watch with Developing Implications

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund-based – Cash credit	Simple
Long-term/short-term – Fund-based	Simple
Short-term – Non-fund based	Very simple
Long-term – Fund-based – Term loans	Simple
Unallocated limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Cash credit	NA	NA	NA	2.00	[ICRA]AA- (Stable)
NA	Fund-based	NA	NA	NA	135.00	[ICRA]AA- (Stable) / [ICRA]A1+
NA	Non-fund based	NA	NA	NA	1.20	[ICRA]A1+
NA	Fund based – Term loan	FY2022	NA	FY2032	100.00	[ICRA]AA- (Stable)
NA	Unallocated limits	NA	NA	NA	46.35	[ICRA]AA- (Stable) / [ICRA]A1+

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Company name	ownership	Consolidation approach
Acalypha Realty Limited	100.00%	Full Consolidation
Stylenest India Limited	100.00%	Full Consolidation

Source: Company

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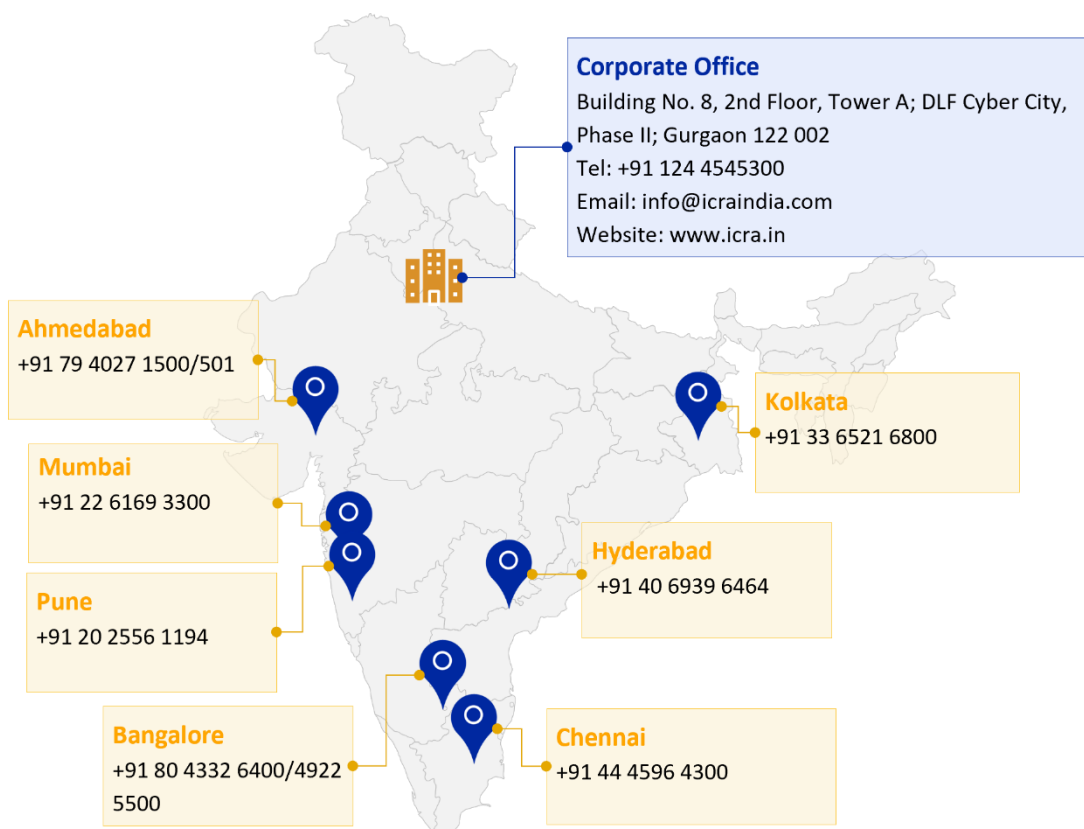
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