



SWARAJ SUITING LIMITED
WEAVING THE FUTURE

Date: 21/02/2026

To,
The Manager
Listing & Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra,
Mumbai- 400051.

Company Symbol: **SWARAJ**

Series: **SM**

ISIN: **INE0GMR01016**

Sub.: **Disclosure about Credit Rating, pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended, we wish to inform you that "Crissil Ratings Limited" (Credit Rating Agency) has upgraded the ratings to Swaraj Suiting Limited as per details given below:

| Facilities | Amount (Rs. In crore) | Rating |
|----------------------------|-----------------------|---|
| Total Bank Loan Facilities | 340.00 | Crissil BBB+ (Plus) Stable <i>Upgraded</i> |

The rating letter dt. February 20, 2026 is attached herewith.

Request you to take the intimation on record

Thanking You,

Yours Faithfully,

For Swaraj Suiting Limited

Rahul Kumar Verma
Company Secretary
& Compliance Officer
M. No. F12348

Encl- As above



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Rating Rationale

February 20, 2026 | Mumbai

Swaraj Suiting Limited

Rating upgraded to 'Crisil BBB+ / Stable'

Rating Action

| | |
|---|---|
| Total Bank Loan Facilities Rated | Rs.340 Crore |
| Long Term Rating | Crisil BBB+/Stable (Upgraded from 'Crisil BBB/Stable') |

Note: None of the Directors on Crisil Ratings Limited's 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.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed rationale

Crisil Ratings has upgraded its rating on the long-term bank facilities of Swaraj Suiting Ltd (SSL) to '**Crisil BBB+/Stable**' from 'Crisil BBB/Stable'.

The upgrade reflects sustained improvement in the credit risk profile, supported by significant improvement in operating performance and expected financial risk improvement driven by fund raising for capital expenditure. . Revenue increased from Rs 325 crore in fiscal 2024 to Rs 418 crore in fiscal 2025 and is expected to rise 20-25% in the current fiscal, supported by commissioning of the cotton fabric division and ramp-up in the existing denim fabrics. The operating margin improved from 13.8% in fiscal 2024 to 17.7% in fiscal 2025, supported by better economies of scale with the ramp- up in operations and the management's focus on high realisation product. In the first nine months of fiscal 2026, the company reported operating income of Rs 377 crore with operating margin of ~22%. SSL also raised funds of Rs 261.5 crore through warrants and preference shares to fund the planned capital expenditure (capex) of the spinning and garmenting divisions and also to support the growing working capital requirement. Out of given funds, SSL received Rs 116 crore as on February 9, 2026, and expected to receive the due amount by July 2027. All required equity portion will be raised through warrants and it will not be replaced with debt anytime. With the fund raising, the financial risk profile is expected to improve. Any high debt than planned debt for the capex will remain monitorable.

The rating reflects the extensive experience of SSL promoters in the textile industry, integrated operations and moderate financial risk profile of the company. These strengths are partially offset by susceptibility to volatility in raw material (cotton) prices and to project risk of recent capex plan, and working capital-intensive operations.

Analytical approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of SSL.

Key rating drivers - Strengths

Extensive experience of the promoters and integrated operations: Benefits from the promoters' experience of over three decades, their in-depth understanding of market dynamics and established relationships with suppliers and customers should continue to support the business.

SSL has strategically planned the vertical integration of its operations to the next level of supply chain, aiming to low production costs and increase the efficiency. It enhanced its weaving capacity with 72 new looms having capacity to produce 1.23 crore metres of fabric per annum; and its denim processing capacity with one line of indigo dyeing range has capacity to produce 72 lakh metres of fabric per annum at unit 1 in Neemuch, Madhya Pradesh. SSL also has spinning capacity with 22,656 spindles having an installed capacity of 7,344 tonne per annum in Neemuch (unit 2) and for a non-denim processing unit having capacity to produce 2.40 crore metres of fabric per annum.

Growth in the revenue and healthy operating margin: The revenue increased from Rs 325 crore in fiscal 2024 to Rs 418 crore in fiscal 2025 and is expected to rise 20-25% in the current fiscal supported by commissioning of the cotton fabric division and ramp-up in the existing denim fabrics. The operating margin improved from 13.8% in fiscal 2024 to 17.7% in

fiscal 2025, supported by better economies of scale with the ramp-up in operations and the management's focus on high realisation product. In the first nine months of fiscal 2026, the company reported operating income of Rs 377 crore with operating margin of ~22%.

Improvement in the financial risk profile supported by fund raising from warrants and preference shares: SSL issues warrants and preference shares of Rs 261.5 crore to investors, which will be infused in the company by July 2027. Out of Rs 261.5 crore, Rs 116 crore is received by the SSL. Out of total funds raised, ~Rs 120 will be utilised for the capex and balance for the working capital and general purpose. With the fund raising, the capital structure is projected to improve with gearing and total outside liabilities to tangible networth ratio at less than 1 times and less than 1.4 times, respectively (1.77 times and 2.75 times, respectively, as on March 31, 2025).

Key rating drivers - Weaknesses

Risk related to upcoming capex: SSL is undertaking large of Rs 418 crore for backward integration of the spinning unit and garmenting division, which will be funded through debt of Rs 298 crore and equity/internal accrual of Rs 120 crore. The new plant is expected to commence operations by July 2027. Timely commencement, execution without any cost overruns, higher debt than envisaged for capex and steady ramp-up of operations would remain key rating sensitivity factors.

Working capital-intensive operations: Gross current assets (GCAs) were at 190-230 days for the three years ended March 31, 2025 (230 days as on March 31, 2025) due to high receivables and inventory level. Inventory increased to 148 days as on March 31, 2025, due to high level for the spinning division, which became operational in March 2025 and the cotton fabric division that become operational in July 2025. However, with ramp-up in operations, inventory days are expected to decrease.

Liquidity Adequate

Bank limit utilisation was moderate around 79% on average for the 12 months ended November 30, 2024. Annual cash accrual is expected above Rs 75 crore against yearly term debt obligation of Rs 19 crore over the medium term and will cushion liquidity. The current ratio was moderate at 1.21 times as on March 31, 2025.

Outlook Stable

SSL will continue to benefit from the extensive experience of its promoters and established relationships with clients.

Rating sensitivity factors

Upward factors

- Timely stabilization of Capex resulting in revenue growth of more than 30% in coming fiscal year with sustained margin of 17%.
- Improvement in the working capital cycle
- Improved financial risk profile with reduced TOL/TNW

Downward factors

- Decline in net cash accrual to below Rs 40 crore on account of fall in revenue or operating profit
- Delay in receipt of the funding through warrants or preference shares and/or high debt than envisaged for the capex, weakening the financial risk profile
- Stretched working capital operations leading to weakening of financial risk profile

About the company

SSL was incorporated in 2003 as a private limited company and reconstituted as a public limited company in March 2022. It is promoted by Mohammed Sabir Khan, Samar Khan and Nasir Khan. The company manufactures cotton and synthetic fabric at its two facilities in Bhilwara (Rajasthan) and Neemuch with a combined installed capacity of 3.90 crore metres of cotton and synthetic fabric. SSL is listed on the National Stock Exchange.

Key financial indicator

| As on / for the period ended March 31 | | 2025 | 2024 |
|---------------------------------------|----------|--------|--------|
| Operating income | Rs crore | 417.83 | 324.77 |
| Reported profit after tax (PAT) | Rs crore | 38.22 | 18.91 |
| PAT margin | % | 7.97 | 5.70 |
| Adjusted debt/Adjusted networth | Times | 1.77 | 1.74 |
| Interest coverage | Times | 3.89 | 3.40 |

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

| ISIN | Name Of Instrument | Date Of Allotment | Coupon Rate (%) | Maturity Date | Issue Size (Rs. Crore) | Complexity Levels | Rating Outstanding with Outlook |
|------|---------------------------------------|-------------------|-----------------|---------------|------------------------|-------------------|---------------------------------|
| NA | Cash Credit | NA | NA | NA | 120.00 | NA | Crisil BBB+/Stable |
| NA | Proposed Long Term Bank Loan Facility | NA | NA | NA | 1.31 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Mar-28 | 0.31 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 30-Nov-26 | 0.87 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Dec-32 | 39.74 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Dec-32 | 35.00 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-May-27 | 2.45 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 30-Sep-32 | 35.00 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Mar-29 | 7.89 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Mar-29 | 10.40 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Dec-32 | 41.61 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Aug-26 | 3.85 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 30-Jun-29 | 10.56 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 31-Dec-32 | 30.00 | NA | Crisil BBB+/Stable |
| NA | Term Loan | NA | NA | 30-Nov-26 | 1.01 | NA | Crisil BBB+/Stable |

Annexure - Rating History for last 3 Years

| Instrument | Type | Current | | 2026 (History) | | 2025 | | 2024 | | 2023 | | Start of 2023 |
|-----------------------|------|--------------------|--------------------|----------------|--------|----------|-------------------|------|--------|------|--------|---------------|
| | | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
| Fund Based Facilities | LT | 340.0 | Crisil BBB+/Stable | | -- | 13-10-25 | Crisil BBB/Stable | | -- | | -- | Withdrawn |
| | | | -- | | -- | 24-03-25 | Crisil BBB/Stable | | -- | | -- | -- |
| | | | -- | | -- | 28-02-25 | Crisil BBB/Stable | | -- | | -- | -- |

Annexure - Details of Bank Lenders & Facilities

| Facility | Amount (Rs.Crore) | Name of Lender | Rating |
|---------------------------------------|-------------------|--|--------------------|
| Cash Credit | 29 | Union Bank of India | Crisil BBB+/Stable |
| Cash Credit | 11 | State Bank of India | Crisil BBB+/Stable |
| Cash Credit | 30 | Bank of Baroda | Crisil BBB+/Stable |
| Cash Credit | 10 | Indian Overseas Bank | Crisil BBB+/Stable |
| Cash Credit | 15 | Bank of Baroda | Crisil BBB+/Stable |
| Cash Credit | 15 | Punjab National Bank | Crisil BBB+/Stable |
| Cash Credit | 10 | State Bank of India | Crisil BBB+/Stable |
| Proposed Long Term Bank Loan Facility | 1.31 | Not Applicable | Crisil BBB+/Stable |
| Term Loan | 3.85 | Bank of Baroda | Crisil BBB+/Stable |
| Term Loan | 10.56 | Bank of Baroda | Crisil BBB+/Stable |
| Term Loan | 30 | Bank of Baroda | Crisil BBB+/Stable |
| Term Loan | 1.01 | State Bank of India | Crisil BBB+/Stable |
| Term Loan | 0.31 | Bank of Baroda | Crisil BBB+/Stable |
| Term Loan | 0.87 | Bank of Baroda | Crisil BBB+/Stable |
| Term Loan | 39.74 | Indian Overseas Bank | Crisil BBB+/Stable |
| Term Loan | 35 | Canara Bank | Crisil BBB+/Stable |
| Term Loan | 2.45 | Small Industries Development Bank of India | Crisil BBB+/Stable |
| Term Loan | 35 | Bank of Baroda | Crisil BBB+/Stable |
| Term Loan | 7.89 | State Bank of India | Crisil BBB+/Stable |
| Term Loan | 10.4 | Union Bank of India | Crisil BBB+/Stable |
| Term Loan | 41.61 | Union Bank of India | Crisil BBB+/Stable |

Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

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