



**Press Release**  
**GAYATRISHAKTI PAPER AND BOARDS LIMITED**  
**June 05, 2025**  
**Rating Assigned, Reaffirmed and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	84.64	ACUITE A-   Stable   Reaffirmed	-
Bank Loan Ratings	292.61	Not Applicable   Withdrawn	-
Non Convertible Debentures (NCD)	315.00	ACUITE A-   Stable   Assigned	-
Bank Loan Ratings	60.00	-	ACUITE A2+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	459.64	-	-
Total Withdrawn Quantum (Rs. Cr)	292.61	-	-

**Rating Rationale**

Acuite has reaffirmed its long-term rating of '**ACUITE A-**' (**read as ACUITE A minus**) and its short-term rating of '**ACUITE A2+**' (**read as ACUITE A two plus**) on the Rs. 144.64 Cr. bank facilities of Gayatrishakti Paper and Boards Limited (GPBL). The outlook remains '**Stable**'.

Acuite has also assigned the long-term rating at '**ACUITE A-**' (**read as ACUITE A minus**) on the Rs. 315.00 Cr. Non convertible Debentures (NCDs) of Gayatrishakti Paper and Boards Limited (GPBL). The outlook is '**Stable**'.

Further, Acuite has withdrawn the rating on the Rs. 244.83 Cr. long term bank facilities without assigning any rating as the instruments have been fully repaid of Gayatrishakti Paper and Boards Limited (GPBL). The rating has been withdrawn on account of the request received from the company and the No Dues Certificate received from the lenders.

Acuite has also withdrawn the long-term rating on the Rs. 47.78 Cr. bank facilities without assigning any ratings as the same are proposed facilities of Gayatrishakti Paper and Boards Limited (GPBL). The rating has been withdrawn on account of the request received from the company.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility.

**Rationale for reaffirmation**

The rating reaffirmation takes into account the stable growth in the operating revenue and profitability margins of the group. The improving financial risk profile and adequate liquidity position of the group also provides comfort to the rating. The rating is however constrained on account of working capital intensive operations of the group and susceptibility of profitability to volatile raw material prices, global realisations and demand.

**About the Company**

Mumbai based, Gayatrishakti Paper and Boards Limited was founded in 1996 as a public limited company and is promoted by the G.N. Agarwal group. The company manufactures premium coated paper boards (duplex board) & kraft paper. It's duplex unit is located in Gujarat Industrial Development Corporation (GIDC) at Vapi and kraft

paper unit at Sarigam. The present directors of the company are Mr. Gajendra Nagin Agarwal, Ms. Meena Gajendra Agrawal, Mr. Mahesh Narottam Jalan, Mr. Nikhar Gajendra Agarwal, Mr. Arun Kumar Lahoti, Mr. Pralhad Mansing Aher, Mr. Vinay Doulat Parashar, Mr. Mahesh Shyamnarayan Dwivedi and Ms. Suman Agarwal.

## About the Group

### Kherani Paper Mills Private Limited (KPMPL)

Mumbai based Kherani Paper Mills Private Limited (KPMPL) was originally incorporated in 1988 and subsequently taken over by the present management i.e. G.N. Agarwal Group in the year 1992. It is engaged in the manufacturing of duplex board in different grammages ranging from 180 GSM to 550 GSM. Its factory is situated at Vapi, Gujarat with a manufacturing capacity of the plant is 48,000 MTPA. The present directors of the company are Mr. Gajendra Nagin Agarwal, Ms. Meena Gajendra Agrawal and Ms. Tanisha Nikhar Agarwal.

### Gayatrishakti Tissue Private Limited (GTPL)

Incorporated in 2022, GTPL is a subsidiary of GPBL, engaged in manufacturing of virgin and non-virgin tissue papers. Situated in Vapi, the plant has a manufacturing capacity of 36,000 MTPA. The company is promoted by Mr. Gajendra Nagin Agarwal and Ms. Meena Gajendra Agrawal.

## Unsupported Rating

Not Applicable

## Analytical Approach

### Extent of Consolidation

- Full Consolidation

### Rationale for Consolidation or Parent / Group / Govt. Support

To arrive at the rating, Acuité has consolidated the business and financial risk profiles of Gayatrishakti Paper and Boards Limited (GPBL), Kherani paper Mills Private Limited (KPMPL) and Gayatrishakti Tissue Private Limited (GTPL), hereinafter referred to as G.N. Agarwal group. The consolidation is on account of common management, significant crossholdings, a similar line of business and significant financial linkages among the three entities.

## Key Rating Drivers

### Strengths

#### Established track record of operations and experienced management

GPBL is the flagship company of the G. N. Agarwal group, which is engaged in the manufacturing of premium coated paper boards (duplex boards). The chairman and managing director of the company, Mr. G. N. Agarwal, has been associated with the paper industry for more than three decades. The extensive experience of the promoters and the management has helped the company build a strong presence in the market thereby establishing healthy relationships with its consumers. The group has an established track record with large distribution network of dealers providing access to a wide range of packaging industries such as food products, personal care, FMCG products, oral care and hygiene products, and the e-commerce industry, among others.

Acuité believes that the group will continue to benefit from its extensive experience in the paper industry and established market presence through a healthy network of dealers and distributors.

#### Stable operating performance

While the volumes of the paper business have declined marginally due to cheap imports, the operating revenue of group improved to Rs. 1,152.04 Cr. in FY2025 (Prov.) as against Rs. 1,049.59 Cr. in FY2024, majorly on account of commencement of commercial operations of GTPL's tissue plant in November 2024. The operating margin also improved to 11.49 percent in FY2025 (Prov.) from 10.59 percent in FY2024 due to decline in material and power costs and better realisations (especially in the tissue business). The PAT margin stood at 3.31 percent in FY2025 (Prov.) as against 2.34 percent in FY2024.

Going forward, the operating revenues and margins are expected to improve significantly in FY2026 with full year operations of the tissue business and continued stable operations of the paper business.

#### Improving financial risk profile

The tangible networth of the group improved to Rs. 346.00 Cr. on March 31, 2025 (Prov.) from Rs. 257.41 Cr. on March 31, 2024 on account of equity infusion in GPBL and GTPL (~Rs. 26.52 Cr.) and accretion of profits. This increase in networth has led to a marginal decline in the gearing which stood at 1.93 times on March 31, 2025 (Prov.) as against 1.99 times on March 31, 2024 (Prov.). The TOL/TNW levels also stood improved at 2.70 times as against 3.09 times on March 31, 2024. However, the debt protection metrics stood moderate with Debt-

EBITDA levels of 4.96 times on March 31, 2025 (Prov.) (4.57 times on March 31, 2024), interest coverage ratio (ICR) of 2.45 times in FY2025 (Prov.) (2.43 times in FY2024) and debt service coverage ratio (DSCR) of 1.06 times in FY2025 (Prov.) (0.96 times in FY2024) respectively. Moreover, in April 2025, GPBL raised NCDs of Rs 315 Cr. with an elongated maturity period upto 2033 to refinance its existing debt and utilise for working capital requirements. Therefore, with increasing accruals and elongation of the repayment period through NCDs, the overall financial risk profile of the group is expected to improve further.

## **Weaknesses**

### **Working capital intensive operations**

The operations of the group are working capital intensive, as evident from GCA (gross current assets) of 138 days on March 31, 2025 (Prov.) as against 114 days on March 31, 2024. The GCA are majorly driven by high inventory and debtor days which stood at 60 days each on March 31, 2025 (Prov.) (51 days and 56 days respectively on March 31, 2024) to maintain the requisite stock and customer relations. Further, the overall bank limit utilisation stood at 81.39 percent for the last six months ended March 2025. The current ratio of the group stood at 1.36 times on March 31, 2025 (Prov.).

Going forward, restriction in elongation of the working capital cycle will be a key rating sensitivity.

### **Susceptibility of margins to fluctuations in raw material prices and competition from global markets**

The paper manufacturers in India are exposed to the risk of volatility in wastepaper prices, given the limited availability of quality fibres and international pricing changes as majority of the waste paper is imported in India. Therefore, the profitability remains susceptible to raw material price fluctuations, however, the group protects its margin through pass through of such changes to its customers. Further, the domestic paper industry is also exposed to intense competition from global players with cheap imports from countries like Indonesia, China, Chile, etc. which affect their sales volumes and price realizations.

## **ESG Factors Relevant for Rating**

On the environment front, group has restored to clean sources of energy like solar power for running its plants to save power emissions. In its new tissue manufacturing facility, the group has installed a waste to energy boiler, which uses plastic waste to generate steam. Further, the group has an effluent treatment plant system for treatment of water. On the social front, the group has developed healthy employment practices such as insurance benefits, health and safety policies, corporate social responsibility programs for upskilling, vocational training, gender equality and rural development. It also promotes gender diversity and inclusivity.

On the governance front, the group has adopted requirement of corporate governance from provision of Companies Act 2013. The board of directors comprises of professionals having expertise and experience in the industry with one executive director, two non-executive directors and two of independent directors. Further, the group has constituted an audit committee and developed whistleblower policy to ensure a healthy governance mechanism.

## **Rating Sensitivities**

- Significant growth in operating revenue while sustaining profitability margins.
- Improved cash accrual generation and absence of any significant debt raise leading to improvement in the coverage indicators
- Elongation in the working capital cycle affecting the liquidity of the group

## **All Covenants**

- Issuer to have minimum EBITDA of Rs. 105.00 Cr. at standalone levels and Rs. 160.00 Cr. at consolidated levels from FY2026 onwards.
- Gross Debt-EBITDA shall not exceed 4.00 times at standalone level and 4.50 times at consolidated level as on March 2026 and 3.75 times and 4.00 times respectively from March 2027 onwards.
- Over all long term debt of the issuer shall not exceed Rs. 315 Cr at standalone level and Rs. 580.00 Cr at consolidated level.
- Total debt including working capital and unsecured debt shall not exceed Rs. 800.00 Cr. at a consolidated level at any point of time, excluding debt availed from any member of the promoter group.
- Debt Service Coverage Ratio should be greater than 1.10 times at all times until the final settlement date.
- Security cover of 2.00 times the value of the outstanding principal plus accrued interest/obligations if any of should be maintained at all times until the redemption of the Senior series debentures.

## **Liquidity Position**

### **Adequate**

The adequate liquidity position of the group is supported by the generation of net cash accruals (NCAs) of Rs. 70.91 Cr. against maturing repayment obligations of Rs. 64.03 Cr. in FY2025 (Prov.). Going forward, the NCAs are expected to remain in the range of Rs. 80 – 95 Cr. with maturing repayments in the range of Rs. 18 – 34 Cr. for FY2026 and FY2027. Further, the group had a cash and bank balance of Rs. 19.64 Cr. on March 31, 2025 (Prov.).

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	1152.04	1049.59
PAT	Rs. Cr.	38.14	24.56
PAT Margin	(%)	3.31	2.34
Total Debt/Tangible Net Worth	Times	1.93	1.99
PBDIT/Interest	Times	2.45	2.43

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any Other Information**

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jul 2024	Cash Credit	Long Term	36.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	18.64	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	51.25	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	19.37	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	73.43	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	28.18	ACUITE A-   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	24.00	ACUITE A-   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	16.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	47.78	ACUITE A-   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	15.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	7.60	ACUITE A-   Stable (Reaffirmed)
	Letter of Credit	Short Term	14.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	25.20	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	20.05	ACUITE A2+ (Reaffirmed)
02 Jun 2023	Term Loan	Long Term	36.44	ACUITE A-   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	24.00	ACUITE A-   Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	16.00	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	31.28	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	36.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	18.64	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	66.25	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	93.64	ACUITE A-   Stable (Reaffirmed)
	Letter of Credit	Short Term	14.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	25.20	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	20.05	ACUITE A2+ (Reaffirmed)

28 Sep 2022	Cash Credit	Long Term	36.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	30.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	18.64	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	77.50	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	25.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	107.50	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	42.62	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	2.38	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	24.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	13.61	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Letter of Credit	Short Term	14.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	25.20	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	20.05	ACUITE A2+ (Reaffirmed)
19 Sep 2022	Letter of Credit	Short Term	14.75	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	25.20	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	20.05	ACUITE A2+ (Reaffirmed)
	Cash Credit	Long Term	36.00	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	30.00	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Cash Credit	Long Term	18.64	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Term Loan	Long Term	77.50	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Term Loan	Long Term	25.00	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Term Loan	Long Term	107.50	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Term Loan	Long Term	42.62	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	2.38	ACUITE BBB+   Stable (Downgraded from ACUITE A-   Stable)
	Working Capital Demand Loan (WCDL)	Long Term	24.00	ACUITE BBB+   Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	13.61	ACUITE BBB+   Stable (Assigned)



## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	ACUITE A-   Stable   Reaffirmed
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A-   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.64	Simple	ACUITE A-   Stable   Reaffirmed
Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.75	Simple	ACUITE A2+   Reaffirmed
IDBI Bank Ltd.	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.20	Simple	ACUITE A2+   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.05	Simple	ACUITE A2+   Reaffirmed
Not Applicable	INE612F07028	Non-Convertible Debentures (NCD)	01 Apr 2025	16	01 Apr 2033	215.00	Simple	ACUITE A-   Stable   Assigned
Not Applicable	INE612F07010	Non-Convertible Debentures (NCD)	01 Apr 2025	11.5	01 Apr 2032	100.00	Simple	ACUITE A-   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	47.78	Simple	Not Applicable Withdrawn
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	24 May 2023	Not avl. / Not appl.	24 May 2030	10.00	Simple	Not Applicable Withdrawn
Aditya Birla Finance Limited	Not avl. / Not appl.	Term Loan	29 Mar 2023	Not avl. / Not appl.	30 Jun 2027	7.60	Simple	Not Applicable Withdrawn
Axis Bank	Not avl. / Not appl.	Term Loan	26 Dec 2019	Not avl. / Not appl.	31 Dec 2026	51.25	Simple	Not Applicable Withdrawn
IDFC First Bank Limited	Not avl. / Not appl.	Term Loan	23 Jun 2021	Not avl. / Not appl.	23 Jun 2026	19.37	Simple	Not Applicable Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	26 Dec 2019	Not avl. / Not appl.	31 Dec 2026	73.43	Simple	Not Applicable Withdrawn
Bajaj Finserv Limited	Not avl. / Not appl.	Term Loan	06 Apr 2022	Not avl. / Not appl.	31 Dec 2026	28.18	Simple	Not Applicable Withdrawn
Axis Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	24.00	Simple	Not Applicable Withdrawn
HDFC	Not avl. / Not	Working Capital Demand	Not avl. /	Not avl. / Not	Not avl. /	16.00	Simple	Not

Bank Ltd	appl.	Loan (WCDL)	Not appl.	appl.	Not appl.			Applicable Withdrawn
Yes Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	Not Applicable Withdrawn

**\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company Name
1	Gayatrishakti Paper and Boards Limited
2	Kherani Paper Mills Private Limited
3	Gayatrishakti Tissue Private Limited

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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