



Press Release
KHERANI PAPER MILLS PRIVATE LIMITED
September 04, 2025
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	55.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	55.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+ (read as ACUITE double B plus)**' from '**ACUITE A- (read as ACUITE A minus)**' on the Rs. 55.00 Cr bank facilities of Kherani Paper Mills Private Limited (KPMPL). The rating is now flagged as "Issuer Not Cooperating" and is based on the best available information.

Rationale for Downgrade

The rating is downgraded due to non receipt of confirmation, despite multiple follow ups by Acuite with debenture trustee and issuer, on the Non convertible debentures' debt servicing due as on August 31, 2025, issued by KPMPL's group company i.e Gayatrishakti Paper and Boards Limited which along with Gayatrishakti Tissue Private Limited is consolidated with KPMPL to derive its rating.

About the Company

Mumbai based Kherani Paper Mills Private Limited (KPMPL) was originally incorporated in 1988 and subsequently takeover 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.

About the Group

Gayatrishakti Paper and Boards Limited

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.

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

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and non cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as “Issuer not cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

Limitation regarding information availability

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

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

No information provided by the issuer / available for Acuite to comment upon.

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook: Not Applicable

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

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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jun 2025	Cash Credit	Long Term	25.00	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	11.51	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	7.25	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	5.95	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	5.29	ACUITE A- Stable (Reaffirmed)
05 Jul 2024	Proposed Long Term Bank Facility	Long Term	5.64	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	25.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	7.46	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	16.90	ACUITE A- Stable (Reaffirmed)
02 Jun 2023	Cash Credit	Long Term	25.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	9.62	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	20.25	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.13	ACUITE A- Stable (Reaffirmed)
28 Sep 2022	Cash Credit	Long Term	25.00	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	7.75	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	15.50	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	6.75	ACUITE A- Stable (Upgraded from ACUITE BBB+ Stable)
19 Sep 2022	Cash Credit	Long Term	25.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Term Loan	Long Term	7.75	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Term Loan	Long Term	15.50	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Proposed Long Term Bank Facility	Long Term	6.75	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.51	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A-)
Aditya Birla Finance Limited	Not avl. / Not appl.	Term Loan	31 Mar 2023	Not avl. / Not appl.	31 Mar 2028	5.95	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A-)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	12 Sep 2022	Not avl. / Not appl.	31 Dec 2026	5.29	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A-)
Aditya Birla Finance Limited	Not avl. / Not appl.	Term Loan	26 Dec 2019	Not avl. / Not appl.	31 Dec 2026	7.25	Simple	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A-)

* The issuer did not co-operate; based on best available information.

*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

Disclosure of list of non-cooperative issuers

- Listed :- https://www.acuite.in/Non-Cooperative_Issuer_Listed.php
- Unlisted :- https://www.acuite.in/Non-Cooperative_Issuer_Unlisted.php

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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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