



Press Release
VISHAL PAPER INDUSTRIES PRIVATE LIMITED
October 01, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	38.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	7.00	-	ACUITE A3 Assigned
Total Outstanding Quantum (Rs. Cr)	45.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 38 Cr. bank facilities and short term rating of '**ACUITE A3**' (read as **ACUITE A three**) Rs. 7 Cr. bank facilities of Vishal Paper Industries Private Limited. The outlook is '**Stable**'.

Rationale for rating

The rating takes into account long track record of operations and benefits derived from experienced management, moderate financial risk profile, adequate liquidity; However these strengths are partly offset by slight decline in revenues albeit increase in operating profitability and intensive working capital cycle.

About the Company

Patiala, Punjab based Vishal Paper Industries Private Limited incorporated in 2002. The company is engaged in the manufacturing of writing and printing papers by using wastepaper as a major raw material. The manufacturing facility of the company is located in Patiala (Punjab) and has an installed capacity of 30,000 MT per annum. The present directors of the company are Mr. Luv Mohan Gupta and Mr. Krishan Mohan Gupta.

About the Group

Patiala, Punjab based Vishal Coaters Private Limited was incorporated in 1998. The company is engaged in the manufacturing of writing and printing paper using wastepaper as a major raw material. The company has an installed capacity of 30,000 metric ton per annum (MTPA) in Patiala, Punjab. The directors of the company are Mr. Luv Mohan Gupta, Mr. Ajay Mohan Gupta, Mr Krishna Mohan Gupta and Mr. Kunal Jain.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has taken consolidated business and financial risk profile of Vishal Coaters Private Limited and Vishal Paper Industries Private Limited due to common management, same line of business, corporate guarantees provided to both companies and operational linkages.

Key Rating Drivers

Strengths

Long track record of operations and benefits derived from experienced management

The group has a long track record of operations managed by Mr. Luv Mohan Gupta, Mr. Ajay Mohan Gupta, Mr.

Kunal Jain and Mr. Krishna Mohan Gupta. The promoters hold prior experience in the paper industry. Additionally, the group also has long standing relations with their customers and suppliers. Acuite believes that the benefits derived from the promoters experience and relationship with customers and suppliers will help the company going forward.

Moderate financial risk profile

The financial risk profile of the group is moderate by improving net worth, moderate gearing and debt protection metrics. The adjusted tangible net worth of the group stood at Rs. 60.98 Cr. as on March 31, 2025(Prov.) as compared to Rs. 57.25 Cr. as on March 31, 2024 due to accretion to reserves and quasi equity. Acuite has considered unsecured loans of Rs. 12.29 Cr. as quasi equity in FY25(Prov.) and FY24, and the same has been subordinated to bank loans. The adjusted gearing of the group stood at 0.77 times as on March 31, 2025(Prov.) as compared to 0.76 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.72 times as on March 31, 2025(Prov.) as compared to 1.83 times as on March 31, 2024. The debt protection metrics of the group remain moderate marked by Interest Coverage ratio (ICR) of 2.98 times as on March 31, 2025(Prov.) and debt service coverage ratio (DSCR) of 1.52 times for March 31, 2025(Prov.). The net cash accruals to total debt (NCA/TD) stood at 0.22 times as on March 31, 2025(Prov.) as compared to 0.21 times as on March 31, 2024. Acuite believes that the financial risk profile of the group will remain moderate over the medium term, with steady cash accruals, moderate gearing and debt protection metrics.

Weaknesses

Decline in revenues albeit increase in operating profitability

The revenues of the group have decreased to Rs. 232.11 Cr. in FY 25(Prov.) as compared to Rs. 274 Cr. in FY 24 on account of decline in realisations and volume sold. The operating profitability has increased to 7.45 percent in FY 25(Prov.) as compared to 5.40 percent in FY 24 on account of decrease in raw material cost.

The group is undergoing capex of installing film press machine with a cost of Rs. 7 Cr. funded by a mix of term loan (Rs. 5 Cr. tied up with Union Bank of India) and internal accruals. It is expected to augment in December 2025. The benefit that will be derived from the capex, is it will add uniform coating to the paper surface, leading to an incremental benefit in the topline of the group. Acuite believes that the scale of operations and margins of the group will improve with the stabilisation of the capex in the near to medium term.

Intensive Working Capital Cycle

The working capital cycle of the company is intensive as reflected by Gross Current Assets (GCA) of 147 days for March 31, 2025(Prov.) as compared to 120 days for March 31, 2024. The debtor period stood at 38 days as on March 31, 2025(Prov.) as compared to 41 days as on March 31, 2024. It typically lies within this range of 40-50 days. Further, the inventory days of the group stood at 109 days as on March 31, 2025 (Prov.) as compared to 57 days in FY2024. The group had certain consumable in the year end for execution of orders, which led to high inventory build-up on year end. The creditors stood at 69 days as on March 31, 2025(Prov.) as compared to 97 days as on March 31, 2024. The payments are made within 70-90 days to the suppliers. Acuite believes that the working capital operations of the group will improve over the medium term due to efficient collection mechanism and expected improvement in inventory policy.

Rating Sensitivities

Movement in revenues and operating profitability
Working capital cycle

Liquidity Position

Adequate

The group has adequate liquidity marked by net cash accruals of Rs 10.18 Cr. as on FY2025(Prov.) as against long term debt repayment of Rs. 4.68 Cr. over the same period. The cash and bank balance stood at Rs.0.14 Cr. as on March 31, 2025(Prov.) and Rs. 0.38 Cr. as on March 31, 2024. Further, the current ratio of the company stood at 1.28 times as on March 31, 2025(Prov.) as compared to 1.07 times as on March 31, 2024. The average bank utilization limit for 6 months ended July 2025 is 84 percent. Acuite believes that the liquidity of the group is to remain adequate over the near to medium term on account of steady cash accruals and moderate current ratio.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	232.11	274.00
PAT	Rs. Cr.	3.73	3.33
PAT Margin	(%)	1.61	1.21
Total Debt/Tangible Net Worth	Times	0.77	0.76
PBDIT/Interest	Times	2.98	3.22

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

None

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: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE A3 Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.45	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	31 May 2025	Not avl. / Not appl.	30 Apr 2032	1.70	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	31 May 2025	Not avl. / Not appl.	30 Sep 2026	0.72	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	31 May 2025	Not avl. / Not appl.	31 Aug 2027	0.59	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	31 May 2025	Not avl. / Not appl.	31 Dec 2026	0.97	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	31 May 2025	Not avl. / Not appl.	30 Apr 2030	3.58	Simple	ACUITE BBB- Stable Assigned
Union Bank of India	Not avl. / Not appl.	Term Loan	31 May 2025	Not avl. / Not appl.	30 Apr 2030	1.99	Simple	ACUITE BBB- Stable Assigned

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

Sr.No.	Name of the company
1	Vishal Coaters Private Limited
2	Vishal Paper Industries Private Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Vedika Lahoti Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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