



Press Release
BHAGWATIKRIPA PAPER MILLS PRIVATE LIMITED
November 06, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	39.41	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	45.59	-	ACUITE A3+ Assigned
Total Outstanding Quantum (Rs. Cr)	85.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.85 Cr. bank facilities of Bhagwatikripa Paper Mills Private Limited (BPMPL). The Outlook is '**Stable**'.

Rationale for Rating

The rating assigned reflects the established track record of operations and the extensive experience of the promoters in the same line of industry for more than two decades. The rating drives the additional comfort as improving scale of operations & profitability margins, healthy financial risk profile, and adequate liquidity profile of the company. However, the above strengths are partly offset by intensive working capital operations and susceptibility of margins to fluctuations in raw material prices & competition from global markets.

About the Company

Incorporated in 2004, Bhagwatikripa Paper Mills Private Limited is a Rajasthan based company engaged in manufacturing of Kraft Paper from its manufacturing facility located in Jaipur with an installed capacity of 64,000 MT as on 31st March 2025. The company manufactures different varieties of kraft paper ranging from 120 to 350 Grams Per Square Meter (GSM) and Bursting Factor (BF) up to 35. The company is currently managed by Mr. Sanjeev Mehra, Mr. Prem Kishore Mehra & Mrs. Rekha Mehra as directors.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business & financial risk profile of Bhagwatikripa Paper Mills Private Limited (BPMPL) to derive the rating.

Key Rating Drivers

Strengths

Experienced Management

The company is solely managed by Mehra family, Mr. P K Mehra as managing director having

vast experience of more than two decades in same line of paper industry. He is actively involved in day-to-day operations related to marketing, production, finance, etc. With his

experience, the company has maintained long term relationships with their customers and international as well as domestic vendors for raw material.

Improving scale of operations & Profitability

The revenue from the operations of the company has improved by 15.66%, thereby increasing the topline from Rs. 177.63 Cr. in FY 2024 to Rs. 205.45 Rs. Cr. in FY 2025. The improvement in revenue is mainly due to slight increase volume units sold as well as improvement in price realization in FY 25 against FY 24. The operating profit (EBITDA) improved from Rs. 12.41 Cr. in FY 24 to Rs. 13.49 Cr. in FY 25. The net profit of the company improved from Rs. 2.47 Cr. in FY 24 to Rs. 3.01 Cr. in FY 25. The Net margin slightly improved & stood at 1.47% in FY 25 against 1.39% in FY 24. Acuite believes that the scale of operations & profitability will improve in near to medium term on the account of improving volume units & realization.

Healthy Financial Risk Profile

The company's financial risk profile is healthy marked by net worth, gearing and debt protection metrics. The tangible net worth of the company improved and stood at Rs. 43.41 Cr. as on March 31, 2025, against Rs. 31.39 Cr. as on March 31, 2024. The improvement in net worth is mainly due to accumulation of profits into reserves and treatment of unsecured loans as quasi equity. The Gearing ratio of the company improved & stood at 1.02 times for FY 25 against 1.32 times for FY 2024. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) improved and stood at 2.44 times for FY 25 against 3.22 times for FY 24. The debt protection metrics of the company marked by ISCR & DSCR which stood at 2.02 times & 1.79 times respectively for FY 25. The ROCE of the company stood at 13.95% in FY 25. Acuite believes that going forward the financial risk profile of the company will improve in near to medium term backed by steady accruals and no debt funded capex planned in near to medium term.

Weaknesses

Working Capital Operations

The working capital operations of the company is intensive marked by Gross Current Assets (GCA) of 205 days for FY 25 improved against 209 days for FY 24. The intensiveness is mainly due to the higher inventory holding period of 134 days for Fy 25. Due to nature of operations (high dependence on import for raw material), the company needs to procure and store large volumes of raw material leading to higher inventory days. The debtor days improved and stood at 66 in FY 25 against 71 for FY 24. Acuite believes the working capital operations of the company will remain at intensive in near to medium term due to nature of operations.

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 company 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.

Rating Sensitivities

- Movement in scale of operations and profitability margins
- Elongation in the working capital operations

Liquidity Position

Adequate

The liquidity profile of the company is adequate marked by generating net cash accruals of Rs. 6.01 Cr. in FY 25 against the maturing debt obligations of Rs. 0.22 Cr. for the same period indicating availability of surplus cushion for future endeavours. The company has a cash & bank balance of Rs. 0.51 Cr. as on 31st March 2025. The current ratio of the company stood at 1.21 times for FY 25. The average fund based & non-fund based utilization for last six months ended September 2025 is 83.92% & 78.92% respectively. Acuite believes, the liquidity profile of

the company is expected to improve in near to medium term with steady cash accruals.

Outlook - Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	205.45	177.63
PAT	Rs. Cr.	3.01	2.47
PAT Margin	(%)	1.47	1.39
Total Debt/Tangible Net Worth	Times	1.02	1.32
PBDIT/Interest	Times	2.02	1.98

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

None.

Any other information

None.

Applicable Criteria

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

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
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.00	Simple	ACUITE BBB- Stable Assigned
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	31 Dec 2021	Not avl. / Not appl.	01 Dec 2026	0.80	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.59	Simple	ACUITE A3+ Assigned
H D F C Bank Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A3+ Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A3+ Assigned
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE BBB- Stable Assigned
H D F C Bank Limited	Not avl. / Not appl.	Term Loan	23 Feb 2024	Not avl. / Not appl.	07 May 2030	1.11	Simple	ACUITE BBB- Stable Assigned

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