

Rating Rationale
28 Oct 2026

Gangotri Paper Mills Pvt. Ltd.

SUMMARY OF RATING ACTION

Facilities**	Tenure	Amount (Rs. Crs)		Rating Assigned & Outlook		Regulator
		Previous	Present	Previous (24 Oct 2025)	Present	
Fund Based						
Term Loan - Sanctioned	Long-Term	13.40	0.00	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	Withdrawal	RBI
Term Loan - Sanctioned			0.00			
Term Loan - Sanctioned			0.00			
Term Loan - Sanctioned	Long-Term	35.00	0.25	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	BWR BB-/Stable/ Removed from Issuer Not Cooperating Category/ Upgraded	RBI
Cash Credit - Sanctioned			15.00			
Term Loan -Sanctioned	Long-Term	-	10.31	-	BWR BB- /Stable Assignment	RBI
Term Loan -Sanctioned		-	2.99			
Cash Credit - Sanctioned		-	7.00			
Term Loan -Sanctioned		-	3.46			
Term Loan -Sanctioned		-	2.44			
Term Loan -Sanctioned		-	8.29			
Term Loan -Sanctioned		-	2.23			
Term Loan -Sanctioned		-	2.23			
Subtotal (Fund based)			51.97			
Non Fund Based						
Letter Credit	Short-Term	-	7.50	-	BWR A4/ Assignment	RBI
Subtotal (Non Fund based)			7.50			
Grand Total		48.40	59.47	Rupees Fifty Nine Crore and Forty seven Lakhs Only		

Note:

1. Please refer to BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK

Brickwork Ratings has removed the ratings from the Issuer Not Cooperating category and upgraded the long-term and short-term ratings to “BWR BB-/Stable / BWR A4” for the bank loan facilities of Rs.15.25 Cr, and also assigned a long-term and short-term rating of “BWR BB-/Stable/A4” to the new bank loan facilities of Rs.36.72 Cr and Rs.7.50 Cr of Gangotri Paper Mills Pvt. Ltd. Brickwork Ratings has withdrawn the ratings assigned to the term loan outstanding of Rs.0.90 crore, Rs. 1.57 crore, and Rs. 5.62 crore, as these facilities have been fully paid and closed. In this regard, Brickwork Ratings has obtained the withdrawal request letter from the client and a confirmation email from the banker (Punjab National Bank).

Brickwork Ratings removes the ratings from the Issuer Not Cooperating category as the client submitted the required information for reviewing the bank loan facilities of Gangotri Paper Mills Pvt. Ltd.

The ratings factored in the company’s moderate financial risk profile, growth in scale of operations, enhancement in the working capital limits and the extensive industry experience of its directors. However, the ratings are constrained by intense competition, high customer concentration risk, and low profitability margins of the company. Moving forward, the company's ability to enhance its revenue profile and strengthen its overall financial risk profile will be key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that Gangotri Paper Mills Private Limited's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

The terms of sanction include covenants normally stipulated for such facilities.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to Financial Ratios • Short-Term Debt • Manufacturing Company • BWR Withdrawal Policy • Policy On Issuer Non -Cooperation
Parent/Group/Government Support	NA
Analytical Approach (Consolidation/Standalone)	For arriving at its ratings, BWR has considered the standalone approach for the company. BWR has applied its rating methodology as detailed in the rating criteria.

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

Experienced Promoters

The company is managed by experienced directors—Vinod Kumar Mittal (71 years, Law Graduate and Diploma in Mechanical Engineering with 40 years of experience in tin containers and 14 years in kraft paper manufacturing), alongside a qualified board comprising Prajwal Agarwal (Age: 34, MBA, B.Sc., 7 years experience, Director), Sanjay Kumar Mittal (Age: 66, Post Graduate, 24 years experience, Director), Pranay Mittal (Age: 50, MBA, B.E. Industrial Production, 22 years experience, Director), and Gaurav Kansal (Age: 41, 21 years experience, Director), supported by a seasoned second-tier management team including Sandeep Goel (25 years in accounts and finance).

Established Scale of Operations

Operating within the mid-tier segment (revenue bracket spanning between Rs. 100 Cr and 500 Cr), the company has an established operational footprint and corporate longevity (incorporated in 1997).

Efficiency Initiatives for Margin Improvement

The company has successfully concluded its targeted capital expenditure phase, featuring the installation of an RDF (Refuse-Derived Fuel) boiler and strategic turbine upgrades. By transitioning to cheaper alternative fuel sources via the RDF boiler, the company is positioned to reduce power and fuel costs by up to 50%. This structural cost reduction will significantly bolster operating margins (EBITDA) and drive medium-term profitability, offsetting recent non-operating headwinds.

Credit Risks

Operating Losses & Margin Contraction

The company has experienced a sharp contraction in profitability, with OPBDIT dropping heavily from Rs. 6.86 Cr in FY25 to Rs. -8.78 Cr in FY26, pushing the operating margin down from 4.70% to -4.87%. This points toward an inability to cover core operational overheads through primary business activities.

Weak Liquidity and Debt-Servicing Strain

Negative cash accruals coupled with fixed debt repayment liabilities create heavy liquidity pressure, indicating that the company cannot internally service its short-term debt obligations comfortably and will require external support, promoter infusion, or debt restructuring.

RATING SENSITIVITY FACTORS

Going forward, the ability of the company to significantly improve its scale of operations with sustainable profitability, improvement in debt protection metrics and manage its working capital efficiently shall be the key rating sensitivities.

Positive :

- Improvement in Operating margin to above 5% with an improvement in the company's net cash accruals.
- Improvement in the Debt protection metrics such as ISCR around 2x and DSCR around 1.5x.

Negative :

- Any decline in the company's revenue by 30% and fail to register an operating profit.
- Any deterioration in debt protection metrics resulting in adverse liquidity management.

LIQUIDITY POSITION - Stretched

The company's liquidity position is defined as stretched, characterized by tightly matched accruals to repayment obligations, highly utilized bank limits, and modest cash reserves. In FY2026, the entity reported negative net cash accruals of Rs. -13.12 Cr against a current portion of long-term debt (CPLTD) of Rs. 5.14 Cr.

However, the company successfully infused Rs. 10.97 Cr through unsecured loans to support working capital requirements and bridge funding shortages. This demonstrates the promoter's ability to inject funds when necessary to support debt repayments. Furthermore, the entity's current ratio stood at 0.94x in FY2026. The company's Adjusted TNW is stood at Rs.24.46 Cr in FY2026. The adjusted total debt/ TNW is 2.14x and TOL/TNW is 3.90x in FY2026.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

The company demonstrates an adequate ESG profile based on its environmental, social, and governance practices.

Environmental: Environmental risks are driven by high water usage, waste generation, and reliance on energy-intensive processes, making disclosures on water consumption, waste-management practices, renewable energy share, and emissions levels particularly important.

Social: Social factors hinge on adherence to labour laws, accident prevention frameworks, and human-capital development, with metrics such as workforce mix, safety performance, and training initiatives offering insights into operational resilience.

Governance: Governance assessment focuses on board independence, committee effectiveness, and robustness of compliance systems, supported by readily available disclosures on board structure, audit mechanisms, and risk-management practices.

COMPANY PROFILE

Industry Classification			
Macroeconomic Indicator	Sector	Industry	Basic Industry
Commodities	Forest Materials	Paper, Forest & Jute Products	Paper & Paper Products

Gangotri Paper Mills Pvt. Ltd., an ISO 9001: 2008 certified company, is engaged in the production of eco-friendly recycled multilayer Kraft Paper for corrugation industries since 2011. They have achieved an average daily production capacity of over 200 Tons to serve more corrugation industries with high-quality multilayer Kraft Paper. The paper manufacturing process is based on 100 % recycled paper waste.

The unit is located 150 Kms. away from the National Capital, Delhi on Delhi-Haridwar NH-58 at village Narsan Kalan adjoining Gurukul - Narsan Town.

The product range includes BF (Burst Factor) 18+ to 28+, GSM (Grammage) 120 to 240, Natural shade as well as Coloured Paper.

Prajwal Agarwal, Sanjay Kumar Mittal, Pranay Mittal and Gaurav Kansal are the directors in the company.

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in Rs. crore)	FY24(A)	FY25 (A)	FY26 (A)
Operating Revenue	171.09	145.76	180.25
EBITDA	7.84	6.86	-8.78
PAT	1.82	1.32	-18.79
Tangible Net worth	30.96	32.28	13.49
Total Debt/ Tangible Net worth	2.05	2.02	4.71
Current Ratio	1.39	1.28	0.94
A: Audited UA: Unaudited NA: Not Available; PROJ: Projected			
Note: These are the latest available financial results. P: Provisional *PBILDT: Profit before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations; Amount in ₹ crore.			

RATING HISTORY FOR THE PREVIOUS THREE YEARS

Current Rating (2026)				Rating History					
				FY 25		FY 24		FY 23	
Instrument	Tenor	Amount (₹. Crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	51.97	BWR BB-/Stable/ Removed from Issuer Not Cooperating Category/Withdrew/Upgraded/Assignment	24 Oct 2025	BWR B/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	12 Nov 2024	BWR B+ Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	30 Oct 2023	BWR BB-Stable (ISSUER NOT COOPERATING* /Downgrade)
Non Fund Based	ST	7.50	BWR A4/Assignment		NA		NA		NA
Grand Total		59.47	Rupees Fifty Nine Crore and Forty seven Lakhs Only						

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	Simple
Non-Fund Based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): NA

ANY OTHER INFORMATION: None

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Annexure I: Details of Bank Loan Facilities

(Amount in Rupees Crore)

Name of the Bank	Facilities	Tenure	Amount (₹ Crore)	Regulator
Punjab National Bank	Term Loan - Sanctioned	Long -Term	0.25	RBI
Punjab National Bank	Cash Credit - Sanctioned	Long -Term	15.00	RBI
Punjab National Bank	Term Loan -Sanctioned	Long -Term	10.31	RBI
Punjab National Bank	Term Loan -Sanctioned	Long -Term	2.99	RBI
HDFC Bank	Cash Credit - Sanctioned	Long -Term	7.00	RBI
HDFC Bank	Term Loan -Sanctioned	Long -Term	3.46	RBI
HDFC Bank	Term Loan -Sanctioned	Long -Term	2.44	RBI
HDFC Bank	Term Loan -Sanctioned	Long -Term	8.29	RBI
HDFC Bank	Term Loan -Sanctioned	Long -Term	2.23	RBI
HDFC Bank	Letter Credit	Short-Term	7.50	RBI
Total			59.47	
Total (Rupees Fifty Nine Crore and Forty Seven Lakhs Only)				

ANNEXURE II: Details of Instruments/Facilities

Name of the Instrument / Facility	Long Term/Short Term	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ cr)	Rating Assigned and Rating Outlook	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-Nil

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A.	Rating activities	
Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brick Work Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

B.	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies	NA

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact grievance@brickworkratings.com

Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is an institutional investor in Brickwork.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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