

RATING RATIONALE

31 Mar 2026

Prolific Papers Pvt Ltd

Brickwork Ratings Withdraws, Upgrades, Assigns and Removes the ratings from the INC category for the bank loan facilities of 58.01 Crs of Prolific Papers Pvt Ltd.

Particulars :

Facilities	Amount (Rs Crs)		Tenure	Rating *	
	Previous	Present		Previous (14-Mar-2025)	Present
Fund Based					
Common Covid Emergency Line of Credit (CCECL) -Outstanding	5.91	0.00	Long Term	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	Withdrawal
GECL (Extension 1.0)	2.93	0.73	Long Term	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	BWR BB/Stable removal from ISSUER NOT COOPERATING* category/Upgraded
Term Loan- Outstanding	0.00	4.03	Long Term	-	BWR BB/Stable Assignment
Term Loan- Outstanding	0.00	8.84	Long Term	-	BWR BB/Stable Assignment
Cash Credit -Sanctioned	30.00	30.00	Long Term	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	BWR BB/Stable removal from ISSUER NOT COOPERATING* category/Upgraded
Cash Credit -Sanctioned	0.00	4.41	Long Term	-	BWR BB/Stable/ Assignment
Common Covid Emergency Line of Credit (CCECL) -Sanctioned	3.00	0.00	Long Term	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	Withdrawal
Sub-Limit (CC(BD)) -Sanctioned	(11.00)	(11.00)	Long Term	BWR B/Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	BWR BB/Stable removal from ISSUER NOT COOPERATING* category/Upgraded

Non-Fund Based					
Letter of Credit - Sanctioned	0.00	10.00	Short Term	-	BWR A4 Assignment
Sub-Limit (ILG (within FBWC limits)) -Sanctioned	(00.05)	(00.05)	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR A4 removal from ISSUER NOT COOPERATING* category/Reaffirmed
Sub-Limit (FLC/ILC (DA/DP) (within FBWC limits)) -Sanctioned	(05.00)	0	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal
Sub-Limit (ILC (DA/DP)) -Sanctioned	(04.20)	0.00	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal
Sub-Limit (FLC (DA/DP)) -Sanctioned	(00.80)	0.00	Short Term	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	Withdrawal
Sub Total	<i>0.00</i>	10.00			
Grand Total	41.84	58.01	(Rupees Fifty Eight Crores and One Lakh Only)		

#Please refer to the BWR website www.brickworkratings.com for the definition of the ratings.

**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure

RATING ACTION / OUTLOOK

Brickwork Ratings Withdraws, Upgrades, Assigns and Removes the ratings from the INC category for the bank loan facilities of 51.08 Crs of Prolific Papers Pvt Ltd.

The rating outlook is assigned as “Stable,” reflecting BWR’s expectation that Prolific Papers Pvt. Ltd.’s business risk profile will remain steady over the medium term as the new management stabilises existing capacity. The outlook may be revised to “Positive” if the company achieves a sustained increase in total operating income to Rs 175 Crores or above, with EBITDA margins improving to 9% or above, alongside a reduction in the Total Debt/Tangible Net Worth ratio to 1.50x or below. Conversely, it may be revised to “Negative” in the event of a 10% or greater decline in revenue, leading to tight profitability margins, a further stretched working capital cycle constraining liquidity, or any recurrence of SMA classification and LC devolvement

KEY RATING DRIVERS

Credit Strengths :

- **Experienced New Management with Demonstrated Operational Turnaround**

The company underwent a change in management effective November 8, 2025, with the incoming promoters Mr. Jagmal and Mr. Pradeep Achutan Unny, bringing over 30–35 years of combined experience in paper manufacturing, publishing, and institutional supply. Mr. Pradeep Achutan

Unny prior tenure as Vice President at Amar Ujala Publications (2008–2020) and Director Operations at Impression Printing & Packaging (2020–2023) has provided the company with deep customer relationships in the newspaper and publishing segment -the primary buyer category for writing and printing paper. Within three months of takeover, the new management stabilised average monthly production above 5,000 MT (against installed capacity of 6,000 MT), achieved monthly revenues of Rs 24-26 Crores, and cleared all outstanding bank dues, LC obligations, and statutory arrears. The promptness and scale of this turnaround demonstrate both the operational competence and the financial capability of the new promoters, providing meaningful comfort on management execution risk going forward.

- **Diversified Product Portfolio with Complementary Seasonal Demand Cycles**

The company operates two manufacturing machines -one dedicated to writing and printing paper and one to duplex and kraft packaging paper -with a combined installed capacity of approximately 6,000 MT per month. This dual-segment presence provides a structural hedge against demand seasonality, as writing and printing paper demand peaks between October and March, while packaging paper demand peaks between April and September, driven by festive packaging requirements. The company therefore maintains relatively stable capacity utilisation and revenue generation throughout the year, avoiding the sharp revenue fluctuations that single-segment paper mills experience. Additionally, the company operates as a zero groundwater waste mill with an Effluent Treatment Plant (ETP) and CGWA compliance, reducing environmental regulatory risk and ensuring operational continuity without the threat of regulatory shutdowns that smaller, non-compliant competitors face.

Credit Risks:-

- **Limited Track Record Under New Management with Near-Term Liquidity Constraints**

The most significant rating constraint is the absence of a full audited financial year under the new management -only three to four months of operations have been observed since the November 2025 takeover, making it difficult to assess the sustainability of the operational turnaround with confidence. In FY25, under the Old management, Gross Cash Accruals were Rs 4.89 Crores Against Current Portion of Long-Term Debt of Rs 6.10 Crores, resulting in a DSCR of 0.90x -below the threshold of adequate debt serviceability. While this is projected to improve to 1.26x in FY26, the projection remains contingent on the new management maintaining the current revenue run-rate without disruption. Additionally, working capital bank limits are utilised at 95-99% across PNB and UCO Bank, leaving limited liquidity buffer, and the working capital conversion cycle remains stretched at 146 days -both factors that could amplify stress if collections slow or raw material prices spike.

- **Raw Material Price Volatility and High Working Capital Intensity**

Prolific Papers sources waste paper as its primary raw material a globally traded commodity whose prices are subject to international supply chain disruptions, shifts in recycling policies across key sourcing markets, and domestic scrap market dynamics. When raw material prices rise sharply, the company's ability to pass through costs to institutional publishing house customers is limited by the competitive and price-sensitive nature of the paper supply market, leading directly to EBITDA margin compression -as evidenced by the decline from 9.88% in FY23 to 7.23% in FY25. The high inventory holding of 190 days FY25 compounds this risk, as a large stock of raw material and finished goods ties up working capital and increases exposure to price corrections. BWR projects a gradual improvement in margins to 8.65% in FY26 as operations normalise.

ANALYTICAL APPROACH - Standalone

To arrive at its ratings, BWR has considered the standalone approach and has applied its rating methodology.

RATING SENSITIVITIES

Going forward, the company's ability to expand its operational scale, boost profitability, enhance liquidity and credit profile, and effectively manage the working capital will be critical factors influencing its ratings.

Positive Factors:

- A sustained increase in total operating income to Rs 175 Crores or above, with EBITDA margins improving to 9% or above on a consistent basis.
- Reduction in the Total Debt/Tangible Net Worth ratio to 1.50x or below, driven by scheduled term loan repayments and profit accretion to reserves
- Demonstrated clean repayment track record under new management with DSCR above 1.25x for two or more consecutive financial years under the new promoters

Negative Factors:

- Any decline in revenue by 10% or above leading to tight profitability margins.
- A stretched working capital cycle constraining the liquidity and financial risk profile.
- Any recurrence of SMA classification, LC devolvement in management continuity.

LIQUIDITY INDICATORS - Adequate

The company's liquidity profile is assessed as Stretched in FY25, Gross Cash Accruals of Rs 4.89 Crores against Current Portion of Long-Term Debt of Rs 6.10 Crores, resulting in a DSCR of 0.90x -attributable to peak term loan repayment obligations and operational disruption. Following the management change in November 2025, operations have stabilised with monthly revenues of Rs 24-26 Crores. Gross Cash Accruals is expected to improve to Rs 5.22 Crores in FY26 against CPLTD of Rs 2.89 Crores, resulting in a DSCR of 1.26x -with further improvement to 1.58x in FY27 as accruals strengthen. The current ratio is maintained at 1.29x in FY25 to 1.32x in FY26. The working capital limits (aggregate CC limit: Rs 34.41 Crores across PNB and UCO Bank) are utilised at 95-99%.

In FY26, following the stabilisation of operations under new management with monthly revenues of Rs 24-26 Crores, Gross Cash Accruals is projected to improve to Rs 5.22 Crores against CPLTD of Rs 2.89 Crores -translating to a projected DSCR of 1.26x. In FY27, Gross Cash Accruals of Rs 6.75 Crores against CPLTD of Rs 2.28 Crores, resulting in a DSCR of 1.58x

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Commodities	Forest Materials	Paper, Forest & Jute Products	Paper & Paper Products

Prolific Papers Pvt. Ltd. is a paper manufacturing company that uses recycled paper as its raw material, with its registered office located at Chawri Bazar, Delhi. It started its operations in FY 2009. The company manufactures Writing and Printing Paper along with Kraft and Duplex Paper. The factory is located at Kashipur, Uttarakhand. The current directors of the company are Mr. Jagmal & Mr. Pradeep Achutan Unny.

The company witnessed a change in management effective 8th November 2025, as the previous promoters (Katyani Group) were unable to manage the company due to financial distress arising from simultaneous

management of multiple stressed entities. The new promoters, Mr. Jagmal and Mr. Pradeep Achutan Unny, who bring over 30-35 years of experience in the paper and publishing industry, acquired the company and have since stabilised operations, with average monthly production exceeding 5,000 MT and revenues of approximately Rs 25 Crores per month.

ESG PROFILE

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

Environmental: Operates a sustainable, circular business model by manufacturing paper entirely from recycled waste paper. It functions as a "zero groundwater waste mill" by aggressively recycling water through a mandatory Effluent Treatment Plant (ETP) and strictly complies with CGWA fee and usage regulations.

Social: Drives local employment by sustaining a workforce of approximately 300 employees (75 skilled and 225 unskilled/semi-skilled workers), providing steady jobs through its 24/7 continuous plant operations.

Governance: Led by industry with over 30 years of experience. The new promoters have demonstrated strong financial discipline and ethical governance by immediately clearing all inherited banking overdues, establishing clean banking tracks, and implementing robust working capital controls.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Unit	FY 23	FY 24	FY 25
Result Type		Audited	Audited	Audited
Operating Income	Rs. Crs	120.46	130.1	146.17
EBITDA	Rs. Crs	11.9	12.81	10.57
PAT	Rs. Crs	3.3	2.85	0.95
Tangible Net Worth	Rs. Crs	22.7	25.55	26.89
Total Debt/Tangible Net Worth	Times	2.46	2.36	2.24
Current Ratio	Times	1.39	1.32	1.29

KEY COVENANTS OF THE FACILITY RATED

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

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

On October 7, 2025, Infomerics Ratings assigned an IVR BB+/Negative rating with a Downgrade, noting the status as 'Issuer Not Cooperating

ANY OTHER INFORMATION

No Other Information.

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal & suspension)

Facilities		Current Rating (2026)		2025		2024		2023	
Type	Tenure	Amount (Rs.Crs)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	30.73	BWR BB/Stable removal from ISSUER NOT COOPERATING* category/Upgraded	14Mar 2025	BWR B/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	12Mar 2024	BWR B+ Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	25Jan2023	BWR BB-Stable (ISSUER NOT COOPERATING* /Downgrade)
Fund Based	LT	17.28	BWR BB/Stable assignment	NA	NA	NA	NA	NA	NA
FB SubLimit	LT	(11)	BWR BB/Stable removal from ISSUER NOT COOPERATING* category/Upgraded	14Mar 2025	BWR B/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	12Mar 2024	BWR B+ Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	25Jan2023	BWR BB-Stable (ISSUER NOT COOPERATING* /Downgrade)
NFB SubLimit	LT	0.00	NA	NA	NA	12Mar 2024	BWR B+ Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	25Jan2023	BWR BB-Stable (ISSUER NOT COOPERATING* /Downgrade)
NFB SubLimit	ST	(0.05)	BWR A4 removal from ISSUER NOT COOPERATING* category/Reaffirmed	14Mar 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	12Mar 2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	25Jan2023	BWR A4 (ISSUER NOT COOPERATING* /Reaffirmation)

NFB SubLimit	ST	(5)	BWR A4 removal from ISSUER NOT COOPERATING* category/Re affirmed	14Mar 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Re affirmed)	NA	NA	NA	NA
NFB SubLimit	ST	(4.20)	BWR A4 removal from ISSUER NOT COOPERATING* category/Re affirmed	14Mar 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Re affirmed)	NA	NA	NA	NA
NFB SubLimit	ST	(0.80)	BWR A4 removal from ISSUER NOT COOPERATING* category/Re affirmed	14Mar 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Re affirmed)	NA	NA	NA	NA
NFB SubLimit	ST	10	BWR A4 Assignment	NA	NA	NA	NA	NA	NA
Grand Total		58.01			(Rupees Fifty Eight Crores and one lakh Only)				

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Short Term Debt](#)
- [Trading Companies](#)
- [Manufacturing Company](#)
- [BWR Withdrawal Policy](#)
- [Default Curing Period](#)

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ANNEXURE-I
Details of Bank Facilities rated by BWR

Sl.No	Name of the Bank	Facilities(Rs.Crs.)		Long Term	Short Term	Total (In Rs.Crs)	Complexity Level
1	Punjab National Bank	Fund Based	GECL (Extension 1.0)	0.73	-	0.73	Simple
			Term Loan-Outstanding	4.03	-	4.03	Simple
			Term Loan-Outstanding	8.84		8.84	Simple
			Cash Credit -Sanctioned	30		30	Simple
			Sub-Limit (CC(BD)) -Sanctioned	(11)		(11)	Simple
		Non-fund-based	Sub-Limit (ILG (within FBWC limits)) -Sanctioned	(0.05)		(0.05)	Simple
2	UCO Bank	Fund Based	Cash Credit -Sanctioned	4.41		4.41	Simple
		Non-Fund Based	Letter of Credit - Sanctioned		10	10	Simple
	Total			48.01	10	58.01	
(Rupees fifty eight Crores and one Lakh)							

##BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com /download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors' queries can be sent to info@brickworkratings.com.

ANNEXURE-II
INSTRUMENT DETAILS

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
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

Print and Digital Media

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