

Nippon Paper Mills Private Limited

March 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	140.50	CARE B; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	10.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Nippon Paper Mills Private Limited (NPMP) to monitor the rating vide e-mail communications dated January 15, 2026, January 29, 2026, February 09, 2026, March 11, 2026 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The ratings on NPMP's bank facilities will now be denoted as '**CARE B; Stable; ISSUER NOT COOPERATING / CARE A4; ISSUER NOT COOPERATING.**

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of NPMP remained constrained on account of fragmented nature of industry leading to intense competition, susceptibility to volatility in raw material price fluctuation, nascent stage of operation and project implementation risk. The rating, however, continues to derive strength from experienced promoters, diversified product basket with flexibility to change product mix and diversified customers base with presence in diverse end user industries.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on June 25, 2025 the following were the rating strengths and weaknesses (updated from the information available from ROC)

Key weaknesses

Fragmented nature of industry leading to intense competition

The kraft paper industry is highly fragmented due to low entry barriers, leading to stiff competition among numerous organized and unorganized players. This intense competition results in significant pricing pressure and a challenging business environment. The paper industry is cyclical and depends on various factors, including general economic conditions, industry demand, and supply. The recent surge in new capacity additions has resulted in an oversupply situation, with supply growth outpacing demand growth.

Susceptibility to volatility in raw material price fluctuation

The company's kraft paper manufacturing business is heavily dependent on wastepaper as its primary raw material, which is sourced from domestic markets apart from power & fuel and chemicals. This reliance makes the business vulnerable to price fluctuations driven by supply and demand dynamics. These raw materials and finished goods are globally traded commodities with volatile prices.

Nascent stage of operation

NPMP has started its operations from July 2024 and currently in its early stage of operation. During FY25, NPMP has reported Total Operating Income (TOI) of Rs. 78.10 crores in FY25 with PBILDT margin of 19.86%. Further, due to higher interest and depreciation costs, the company has reported net losses in FY25. NPMP has reported GCA of Rs. 9.39 crore in FY25.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Project implementation risk

The company is planning to install another plant having a capacity of 200MT per day for its duplex line and a 5MW cogen power plant with a total project cost of ₹124.83 crore. The same shall be funded out of term loan of ₹64.50 crore and balance ₹60.33 crore shall be funded in the form of equity and unsecured loans. The orders for machineries involved in setting up the plant have already been placed, and the plant is expected to be operational by August 2025. As on May 31, 2025, the company has already incurred cost around ₹65 crore. The same is funded by term loan of around ₹30 crore, and for the balance ₹35 crore, the same is funded by the promoters through ₹33 crore in equity infusion and ₹2 crore of unsecured loans.

Key strengths

Experienced promoters

NPMP is promoted by Sanjay Kumar Dalmia, Akash Agarwal, Vivek Kumar Banka, Sonal Choudhary and Neelu Banka. The overall operations of the company are managed by Vivek Kumar Banka, who has over two decades of experience in the paper industry, along with a team of experienced professionals.

Diversified product basket with flexibility to change product mix

NPMP has diversified paper product portfolio with manufacturing facilities for Newsprint (NP), Printing and Writing Paper (PWP) and Kraft Paper (KP) catering to diverse end-user segments. The company is expanding its product base to include the manufacturing of paper bags. However, the company is focusing on the production of PWP and KP. NP market is not good and accordingly the company is not focusing on manufacturing the same. Additionally, NPMP is establishing a duplex board plant, which is expected to be operational by August 2025, to produce primary packaging.

Diversified customers base with presence in diverse end user industries

Given NPMP's diversified product basket, the company has diversified customer base from varied end-user industries. NP is used by print media for printing newspapers. PWP finds application in notebooks, textbooks, and copier paper (education sector). KP is used in packaging operations for packing, wrapping individual items, bundling and void fill. Currently, the company has a customer base in West Bengal, Bihar, Odisha, and Jharkhand. With the commencement of duplex board production, the company will also begin exporting its products. Additionally, the company plans to start manufacturing paper bags, which will be sold both domestically and internationally. However, top 10 customers constitute around 70% of the total revenue. Going forward the customer base is going to diversify.

Liquidity: Stretched

The liquidity position of the company is stretched marked by negative cash flow from operations of Rs. 53.32 crore in FY25 due to blockage of funds in receivables and inventories. Operating cycle remained elongated at 105 days in FY25 due to higher inventory holding period. As on March 31, 2025, cash and bank balance remained at Rs. 9.05 crore.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable Criteria:

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[CARE Ratings' Policy on Default](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology– Paper & Paper Products](#)

[Rating Methodology - Manufacturing Companies](#)

[CARE Ratings' Criteria on Rating of ShortTerm Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Forest Materials	Paper, Forest & Jute Products	Paper & Paper Products

NPMP, based in Kolkata, West Bengal, was incorporated on March 26, 2019. Dwarkapati Smelters Private Limited acquired all the assets of Kohinoor Paper and Newsprint Private Limited (KPNPL) for a consideration of ₹53.45 crore, without assuming any liabilities under the liquidation process. Consequently, the company took over total assets worth ₹201.53 crore. The scheme

received approval from the NCLT on February 23, 2024 for merger of KPNPL with NPML. The company started its operations from July 2024.

The company spent a total of around ₹110 crore in acquisition and upgradation. The acquisition cost amounts to ₹53.45 crore, while the upgradation costs are ₹56.55 crore which was partially funded out of term loan of ₹42 crore and balance out of equity/unsecured loans from promoters. The company is in the manufacturing of KP, PWP, NP, duplex with a production capacity of 140 metric tons per day. The company is setting up another plant of 200 metric tons per day.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)^
Total operating income	0.72	78.10
PBILDT	-0.09	15.51
PAT	0.02	-3.86
Overall gearing (times)	0.52	0.73
Interest coverage (times)	NM	2.36

A: Audited; NM: Not Meaningful; Note: these are latest available financial results; ^Operations started in July 2024

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Annexure-2

Covenants of rated instruments/facilities: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	29.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	December 2024	106.50	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT-Bank Guarantee		-	-	-	5.00	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	10.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	29.00	CARE B; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (25-Jun-25)	-	-	-
2	Non-fund-based - ST-Letter of credit	ST	10.00	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4 (25-Jun-25)	-	-	-
3	Non-fund-based - LT-Bank Guarantee	LT	5.00	CARE B; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (25-Jun-25)	-	-	-
4	Fund-based - LT-Term Loan	LT	106.50	CARE B; Stable; ISSUER NOT COOPERATING*	1)CARE B; Stable (25-Jun-25)	-	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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