



**Press Release**  
**HEART TOUCH PAPER PRIVATE LIMITED**  
**March 06, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	32.50	ACUITE BB-   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	32.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned its long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.32.5 Cr. bank facilities of Heart Touch Paper Private Limited (HTPPL). The Outlook is '**Stable**'.

**Rationale for Rating**

The assigned rating reflects the vast experience of the promoters in the same line of industry for more than a decade and low funding risk. Acuite notes that the approximately ~42% of the total project cost has already been incurred as on 31st January 2025 and it is in line with the expected Scheduled Commercial Operations Date i.e. October 2025. The rating gets additional comfort with locational advantage as all the raw material and other utilities required for running the plant is available in nearby areas of state of Uttarakhand. However, the rating remains constrained on the back of the moderate implementation risk associated with the setting up of a green field project.

**About the Company**

Heart Touch Paper Private Limited was incorporated in 2022 having its registered office at Uttarakhand. Company is engaged in the business of manufacturing of Paper, Uncoated Paper and Paperboards, Hand-made Paperer. The directors of the company are Mr. Mandeep Singh, Mr. Ashok Sharma, Mr. Umesh Ray, Ms. Sandip Kaur, Ms. Balwant Kaur and Mr. Kulvinder Singh.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has taken a standalone view of the business and financial risk profile of Heart Touch Paper Private Limited to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Experienced Management**

The company is managed by Mr. Mandeep Singh and Mr. Ashok Sharma as directors are well experienced in managing manufacturing and trading business. Both the directors have rich experience in managing working of machines erection, commissioning and managing other firms who are into paper rolling and the trading of paper products. The total project cost is estimated to be Rs. 34.21 Cr. for setting up of this project. It will be funded by mix of Rs. 6 Cr. in equity share capital, unsecured loans of Rs. 6.21 Cr. treated as a quasi-equity and balance from term loans. There will be only one multi-functional machinery with the total capacity of 24,640 tons per year for manufacturing writing paper, craft paper and other allied products. Acuite believes that vast experience of the management will benefit the company in near to medium term in terms of business risk profile and financial risk profile.

**Low Funding Risk**

The term loan for the project has fully been tied up and sanctioned from Punjab National Bank which reduces funding risk for the project. The promoters have already infused Rs. 3 Cr. as equity share capital and Rs. 3.7 Cr. as unsecured loan into the project as on 31st January 2025. However, as per the CA certified dated 16th October 2024, Rs. 0.70 Cr. of unsecured loan had been infused. In addition to that, CC limit of Rs. 10.5 Cr. has also been sanctioned for working capital requirements. They will start utilizing this facility once operations get started.

Acuite believes tied up funding reduces the funding risk for the company in near term till the completion date of the project.

### **Weaknesses**

#### **Moderate Execution Risk**

There is a moderate execution risk related to set up the manufacturing plant. However, with 42% of total cost already been incurred, tied up funding & partial disbursement of the same and vast experience of promoters in same line of industry partly offsets the execution risk.

### **Rating Sensitivities**

- Timely execution and commencement of the project.
- Stabilisation of operations post set up.
- Customer and supplier relationship

### **Liquidity Position**

#### **Adequate**

The liquidity profile of the company is adequate as the repayment of debt obligation will start from April 2026. Acuite believes that if the company achieves the expected date of commercial operations, then the company would be able to pay off debt obligations timely in near to medium term.

### **Outlook - Stable**

### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	0.00	0.00
PAT	Rs. Cr.	0.00	0.00
PAT Margin	(%)	0.00	0.00
Total Debt/Tangible Net Worth	Times	0.82	0.08
PBDIT/Interest	Times	0.00	(66.45)

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

None.

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**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, Acuité 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](http://www.acuite.in).

## Rating History :

Not Applicable.

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.50	Simple	ACUITE BB-   Stable   Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	13 Oct 2032	22.00	Simple	ACUITE BB-   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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