Himalay Paptech Private Limited

January 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	14.65	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	15.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.10	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 and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Himalay Paptech Private Limited (HPPL) to monitor the rating vide e-mail communications dated December 25, 2025, December 23, 2025, December 20, 2025, December 19, 2025, December 17, 2025, December 12, 2025, December 09, 2025, December 02, 2025, November 25, 2025, November 19, 2025, November 12, 2025, November 06, 2025, October 29, 2025, October 23, 2025, October 16, 2025, October 06, 2025 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, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on HPPL's bank facilities will now be denoted as **'CARE BB-; 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 HPPL are revised on account of non-availability of requisite information. Further, ratings assigned to the bank facilities of Himalay Paptech Private Limited (HPPL) remain constrained on account of moderate scale of operations and profitability, leveraged capital structure coupled with moderate debt coverage indicators. Ratings, also factor high degree of competitive intensity in kraft paper manufacturing industry along with susceptibility of the profitability to volatility raw material prices. Ratings, however, continue to derive strength from experienced promoters in the paper industry and close proximity to raw material sources.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on January 09, 2025 the following were the rating strengths and weaknesses:

Key weaknesses

Moderate scale of operation and moderate profitability

HPPL's TOI grew by 17% during FY24 over FY23, reaching Rs.122.48 crore (FY23: Rs.104.69 crore). The same was driven by growth in the sales volume by ~35% in FY24 over FY23 despite moderation of ~14% in the sales realisation. In H1FY25, company reported TOI of Rs.67.60 crore. The profitability margin, indicated by the profit before interest, lease, depreciation and tax (PBILDT) margin, remained moderate at 6.35% in FY24 (FY23: 6.25%) and improved to ~10% in H1FY25. However, due to moderate depreciation and interest cost, profit after tax (PAT) margin remained thin at 0.27% in FY24 (FY23: 0.27%). Overall, company reported largely stable GCA at Rs.4.06 crore in FY24 as against Rs.4.18 crore in FY23.

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

Leverage capital structure and moderate debt coverage indicators

The capital structure of HPPL, remained leverage marked by overall gearing of 4.81 times as on March 31, 2024, as against 4.11 times as on March 31, 2023. Marginal deterioration in overall gearing was on account of increase in the working capital borrowing as well as unsecured loan (USL) to fund the operations. Debt coverage indicators remained moderate marked by total debt to GCA (TDGCA) and PBILDT interest coverage of 9.77 years (FY23: 8.14 years) and 1.98x (FY23: 2.66x) in FY24. Total debt to PBILDT to remained moderate at 5.10x in FY24 (FY23: 5.19x).

Presence in competitive paper industry with susceptibility of profitability to volatility in raw material prices and forex rates

HPPL operates in a competitive kraft paper manufacturing industry, which has low entry barriers and characterised by high fragmentation with the presence of the large nos. of mid-sized along with few large entities. This restricts the pricing power to some extents. Waste paper as well as power and fuel are two crucial input cost for paper manufacturing. Coal prices are volatile and hence impacts the profitability of the entity. HPPL is planning to add renewable capacity (solar power plant), which, upon completion shall led to saving in the power and fuel cost, while improving its profitability. Wastepaper prices are volatile and highly correlated with the demand-supply dynamics. Around 60-70% of HPPL's wastepaper requirement is met from imports, hence its profitability is also exposed to the fluctuation in forex rates, as entity is a net importer. Hence, any adverse changes in wastepaper prices or forex rates can have a negative impact on its profit margins. For sustainable profitable operations, it is imperative for domestic players to increase the mill size and use new efficient technology and move towards forward integration for manufacturing corrugated boxes.

Key strengths

Experienced promoters with established track record of operations

HPPL is being incorporated and managed by promoters Mr. Nailesh Patel and Mr. Sanjay Patel. Mr. Nailesh Patel has an experience of around a decade in same line of business working with its associate concerns and looks after production and finance department in HPPL. Further, Mr. Sanjay Patel is also having an experience of more than a decade in same line of business through its associate concern and is looking after marketing department in HPPL. Promoters are assisted by Mr. Ravji Patel who has an experience of around a decade and Mr. Ramesh Patel who also have an experience of more than two decades. They jointly look after purchase and operation department in HPPL.

Close Proximity to raw material sources and favourable industry scenario

The manufacturing facility of HPPL is in Mehsana district, the industrial hub of Gujarat. The location also provides proximity to source raw materials with smooth supply at competitive price and lower logistic expenditure (both on the transportation and storage). It enjoys good road, rail and air connectivity leading to better lead time and facilitating delivery of finished products in a timely manner.

Applicable criteria

Criteria on Information Adequacy Risk and Issuer Non-Cooperation
Definition of Default
Rating Outlook and Rating Watch
Manufacturing Companies
Paper & Paper Products
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

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

Mehsana (Gujarat) based Himalay Paptech Private Limited (HPPL) was incorporated on November 01, 2019, by Mr. Nailesh Patel and Mr. Sanjay Patel. HPPL is engaged into manufacturing of Kraft Paper ranging from 16BF to 28BF (Burst factor) which is used in manufacturing of corrugated boxes. HPPL had commenced operations from April 22, 2022, Post completion of its green field project in March 2022. HPPL's sole manufacturing facility is located at Mehsana, Gujarat with an installed capacity of 170 Metric Tons Per Day (MTPD) as on November 30, 2024.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	104.69	122.48	67.60
PBILDT*	6.55	7.78	7.43
Profit after tax (PAT)	0.28	0.34	-
Overall gearing (x)	4.11	4.60	-
Interest coverage (x)	2.66	1.98	3.49

A: Audited UA: Unaudited; Note: these are latest available financial results
*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-Term Loan		-	-	30/06/2030	14.65	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Cash Credit		-	-	-	15.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	1.10	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-Term Loan	LT	14.65	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (09-Jan-25)	1)CARE BB; Stable (05-Feb-24)	1)CARE BB; Stable (25-Jan-23)
2	Fund-based - LT/ ST-Cash Credit	LT/ST	15.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (09-Jan-25)	1)CARE BB; Stable / CARE A4 (05-Feb-24)	1)CARE BB; Stable / CARE A4 (25-Jan-23)
3	Non-fund-based - ST-Bank Guarantee	ST	1.10	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (09-Jan-25)	1)CARE A4 (05-Feb-24)	1)CARE A4 (25-Jan-23)

*Issuer did not cooperate; based on best available information. LT: Long term; ST: Short term; LT/ST: Long term/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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Non-fund-based - ST-Bank Guarantee	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.

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