



## Press Release

### Chadha Papers Limited

**September 15, 2023**

**Ratings:**

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	34.58	IVR BB/Negative; ISSUER NOT COOPERATING* [IVR Double B with Negative Outlook; Issuer Not Cooperating*]	Revised and migrated to Issuer Not Cooperating category	Simple
Short Term Bank Facilities	33.32	IVR A4; ISSUER NOT COOPERATING* [IVR A Four; ISSUER NOT COOPERATING*]	Revised and migrated to Issuer Not Cooperating category	Simple
<b>Total</b>	<b>67.90</b>			

*\*Issuer not cooperating; Based on best available information*

#### **Details of Facilities are in Annexure 1**

#### **Detailed Rationale**

The aforesaid rating revision to the bank facilities of Chadha Papers Limited reflects lack of adequate information available about the performance of the company/entity and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

#### **Non-Cooperation by Issuer:**

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated August 01, August 08, August 09, August 14, August 16, August 17, 2023 and concurrently over several



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phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted all the essential details/information for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has migrated the long-term and short-term rating for the bank loan facilities of Chadha Papers Limited, aggregating to Rs. 67.90 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/Negative; ISSUER NOT COOPERATING\* (IVR Double B with Negative outlook; ISSUER NOT COOPERATING\*) / IVR A4; ISSUER NOT COOPERATING\* (IVR A Four; ISSUER NOT COOPERATING\*).

*\*Issuer Not Co-operating; based on best available information*

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

### **About the Company**

Chadha Papers Limited (CPL), established in 1990, is an Uttar Pradesh based company promoted by members of the Chadha Family. The company is a part of the Wave Group, which is a leading business conglomerate across diverse sectors. Chadha Papers Limited is engaged in the manufacturing of different kinds of papers such as Kraft, Absorbent Kraft, Writing and Printing, and Newsprint papers.

**Financials (Standalone):** Standalone

For the year ended*	(In Crore)	
	31-03-2022	31-03-2023
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	566.63	697.03
EBITDA	10.40	107.55
PAT	-2.92	60.81
Total Debt	161.45	109.91



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For the year ended*	31-03-2022	31-03-2023
EBITDA Margin (%)	1.84	15.43
PAT Margin (%)	-0.50	8.70
Overall Gearing Ratio (x)	-4.07	5.16

\*Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** None

**Any other information:** Not Applicable

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (Jul 22,2022)	Date(s) & Rating(s) assigned in 2020-21 (April 29, 2021)	Date(s) & Rating(s) assigned in 2019-2020 (December 25 2019)
1.	Long Term Fund Based Limits	Long Term	34.58	IVR BB/ Negative (INC*)	IVR BB+/Stable	IVR BB+/Stable	IVR BBB-/Stable
2.	Short Term Fund Based Limits	Short Term	33.32	IVR A4(INC*)	IVR A4+	IVR A4+	IVR A3

\*Issuer not cooperating; Based on best available information

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).



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Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Jan 2023	3.08	IVR BB; Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	30.00	IVR BB; Negative ISSUER NOT COOPERATING*
CEL	-	-	-	1.50	IVR BB; Negative ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	30.00	IVR A4 ISSUER NOT COOPERATING*
Proposed Letter of Credit	-	-	-	3.32	IVR A4 ISSUER NOT COOPERATING*

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

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:** Not Available

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).