



## Press Release

### Chadha Papers Limited

**March 03<sup>rd</sup>, 2025**

#### **Ratings:**

<b>Facilities/ Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Bank Facilities	31.50	IVR BB/ Negative; INC* [IVR Double B with Negative outlook; Issuer Not Cooperating*]	IVR BB+/ Stable [IVR Double B Plus with Stable Outlook]	Rating downgraded, moved to Issuer Not Cooperating category and outlook revised	<a href="#">Simple</a>
Short Term Bank Facilities	30.00	IVR A4; INC [IVR A Four; Issuer Not Cooperating*]	IVR A4+ [IVR A Four Plus]	Rating downgraded, moved to Issuer Not Cooperating category	<a href="#">Simple</a>
<b>Total</b>	<b>61.50</b>	<b>(Rupees Sixty-one Crore and fifty lakhs Only)</b>			

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

**Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.  
Detailed explanation of covenants is at Annexure 3.**

#### **Ratings**

Infomerics Ratings has downgraded the rating to IVR BB and IVR A4 with a revision in outlook; from stable to negative and has migrated under 'ISSUER NOT COOPERATING' category for the bank facilities of Chadha Papers Limited. The downgrade of ratings is due to non-submission of information and lack of management cooperation for the review of rating.

#### **Detailed Rationale**

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

Infomerics Valuation and Rating Limited (IVR) had rated the bank loan facilities of Chadha Papers Limited in January 2024. Despite close follow up through telephone calls and mails



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dated January 30th, 2025, January 31st, 2025, February 07th, 2025, February 11th, 2025, February 12th, 2025, February 13th, 2025, and concurrently over several phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company. Based upon the same, Infomerics Valuation and Rating Limited (IVR) has downgraded the bank facilities to IVR BB/Negative; ISSUER NOT COOPERATING and IVR A4; ISSUER NOT COOPERATING.

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

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, IVR has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Chadha Papers Limited aggregating to Rs 61.50 crore have been migrated to 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/ Negative; ISSUER NOT COOPERATING and IVR A4; ISSUER NOT COOPERATING.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

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

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

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria for assigning rating outlook About the Company](#)

[Instrument/Facility wise Default Recognition & Post-Default Curing Period](#)

**Liquidity:** Unable to comment due to lack of adequate information



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### **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):**

	<b>(Rs. Crore)</b>	
<b>For the year ended*/As on</b>	<b>31-03-2023</b>	<b>31-03-2024</b>
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	697.03	609.32
EBITDA	108.50	82.42
PAT	60.80	37.29
Total Debt	109.91	92.72
Tangible Net Worth	21.29	58.56
<b><u>Ratios</u></b>		
EBITDA Margin (%)	15.57	13.53
PAT Margin (%)	9.89	6.12
Overall Gearing Ratio (x)	5.16	1.58
Interest Coverage	13.83	3.09

*\*Classification as per Infomerics` standards*

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

**Any other information:** Not Applicable

**Rating History for last three years:**



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Sr. No.	Type of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
				March 03 <sup>rd</sup> , 2025		July 22 <sup>nd</sup> , 2022	April 29 <sup>th</sup> , 2021
1.	Fund Based	Long Term	31.5	IVR BB /Negative; INC	(January 10 <sup>th</sup> , 2024) IVR BB+/ Stable (September 15 <sup>th</sup> , 2023) IVR BB/ Negative (INC)	IVR BB+/ Stable	IVR BB+/ Stable
2.	Non-Fund Based	Short Term	30.00	IVR A4; INC	(January 10 <sup>th</sup> , 2024) IVR A4+ (September 15 <sup>th</sup> , 2023) IVR A4(INC)	IVR A4+	IVR A4+

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

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### About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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).

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



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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 and definition of ratings please 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
Cash Credit	-	-	-	30.00	IVR BB/ Negative; INC
CEL	-	-	-	1.50	IVR BB/ Negative; INC
Letter of Credit	-	-	-	30.00	IVR A4; INC

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### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ChadhaPapers-mar25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated analysis:** 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).