

February 25, 2025

Ivax Paper Chemicals Private Limited (Formerly known as Ivax Paper Chemicals Limited): Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	15.00	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	10.00	10.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Fund Based-Cash Credit	2.00	2.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Interchangeable-Others	(18.00)	(18.00)	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	19.50	19.50	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	46.50	46.50	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings of Ivax Paper Chemicals Private Limited (Formerly known as Ivax Paper Chemicals Limited) in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Ivax Paper Chemicals Private Limited (Formerly known as Ivax Paper Chemicals Limited), ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Chemicals
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Ivax Paper Chemicals Limited, promoted by first generation entrepreneurs Mr. Kirti Nawalgaria and late Mr. Rajkumar Nawalgaria, was incorporated in 1988 with an initial capacity of 7,000 MTPA (metric tons per annum) in Kallakal village, Andhra Pradesh for the production of speciality paper chemicals. Commencing with the production of soap size rosin derivatives and rosin emulsion, the company later introduced emulsion sized AKD's (Alkyl Ketene Dimer) in 1993. In 2000, the company began production of ASA (Alkyl Succinic Anhydride) and in 2001, Ivax introduced liquid polymers for emulsifying ASA, lint control, fluff control, trash control and drainage; the company also produces emulsifying agents for its AKD emulsions. The second manufacturing facility, which was commissioned in 2006 at Kathua (Jammu & Kashmir), and the third manufacturing facility was setup in Coimbatore (Tamil Nadu) in 2007. The total production capacity is ~50,000 MTPA (in India). In the current fiscal, the company has commenced operations of the new 25,000 MTPA plant in Kandy in Vizianagaram district of Andhra Pradesh. The company is in the process of transition operations from Kallakal to new plant in Kandy. Additionally, the company also has a production center in Thailand with a capacity of 12,000 MTPA which is an associate foreign company of Ivax (the holding company of Ivax Thailand is Ivax Dubai), which commenced operations in 2007.

Key financial indicators:

Standalone	FY 2022 (Rs. In Crore)	FY 2023 (Rs. In Crore)
Operating Income (Rs. crore)	266.37	342.46
PAT (Rs. crore)	11.09	11.76
OPBDITA/OI (%)	7.9%	6.8%
PAT/OI (%)	4.2%	3.4%
Total Outside Liabilities/Tangible Net Worth (times)	0.61	0.79
Total Debt/OPBDITA (times)	1.15	1.64
Interest Coverage (times)	10.67	7.73

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortization

Source: MCA

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			25-Feb-2025	21-Dec-2023	04-Oct-2022	19-Aug-2021
1 Cash Credit	Long Term	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2 Term Loan	Long Term	10.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
3 Cash Credit	Short Term	2.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING
4 Interchangeable	Short Term	(18.00)	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING
5 Non-Fund Based	Short Term	19.50	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Cash Credit	Simple
Term Loan	Simple
Short Term-Cash Credit	Simple
Interchangeable	Very Simple
Non-Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Cash Credit	-	-	-	15.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Short Term-Cash Credit	-	-	-	2.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	(18.00)	[ICRA]A4; ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	19.50	[ICRA]A4; ISSUER NOT COOPERATING

Source: Ivax Paper Chemicals Private Limited (Formerly known as Ivax Paper Chemicals Limited)

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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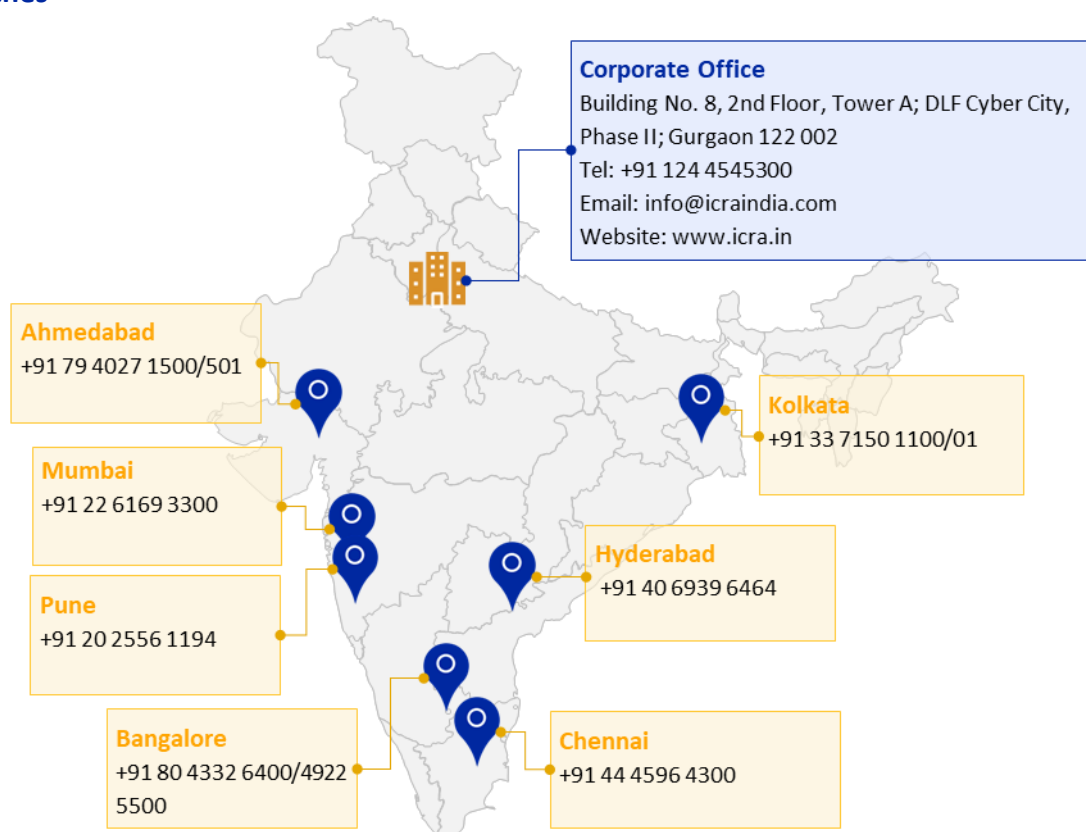


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