

## Classic Corrugations Private Limited

June 16, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	9.85	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Short Term Bank Facilities	0.90	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>10.75</b> <b>(Rs. Ten Crore and</b> <b>Seventy-Five Lakhs Only)</b>		

*Details of facilities in Annexure -1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 12, 2020, placed the ratings of Classic Corrugation Private Limited (CCPL) under the 'issuer non-cooperating' category as CCPL had failed to provide information for monitoring of the ratings for the rating exercise as agreed to in its Rating Agreement. CCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 28, 2021, May 08, 2021 and May 18, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.***

The ratings have been revised on account of non-availability of requisite information. The ratings further take into account deterioration in its scale of operations with significant increase in net loss coupled with deterioration in capital structure, debt coverage indicators and liquidity position during FY20 (FY refers to the period from April 01 to March 31).

### Detailed description of the key rating drivers

Please refer to PR dated [June 12, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria on assigning Outlook and Credit Watch to Credit Ratings](#)

### About the Company

Ahmedabad (Gujarat) based CCPL is a private limited company incorporated in 2011. The company is engaged into manufacturing of kraft paper based corrugated boxes which are used in packaging purpose by various industries such as home appliances, food products, liquor, confectioneries, pharmaceuticals etc. Presently, operations of CCPL are managed by Mr. Yogesh Todi and Mrs Manisha Todi. CCPL operates from its sole manufacturing facilities located in Ahmedabad with an installed capacity of manufacturing 18,000 metric tons of boxes per annum as on March 31, 2017. Further, there is an associate concern of CCPL known as Century Ventures (operational since 2015) which is also engaged into manufacturing of customized corrugated boxes.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications; \*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	32.47	17.86
PBILDT	1.50	(3.02)
PAT	(0.89)	(5.16)
Overall gearing (times)	2.36	9.03
Interest coverage (times)	1.01	NM

A: Audited; NM: Not Meaningful

**Status of non-cooperation with previous CRA:** ICRA has conducted the review on the basis of best available information and has classified the CCPL as “Not cooperating” vide its press release dated March 31, 2021.

ACUITY has conducted the review on the basis of best available information and has classified the CCPL as “Not cooperating” vide its press release dated July 19, 2020.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this company:** Annexure 3

#### Annexure 1: Details of Instruments/Facilities:

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	March, 2020	2.35	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	7.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - ST- Standby Line of Credit	-	-	-	0.90	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 (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	2.35	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Jun-20)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (03-Apr-19)	-
2.	Fund-based - LT-Cash Credit	LT	7.50	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Jun-20)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (03-Apr-19)	-
3.	Fund-based - ST- Standby Line of Credit	ST	0.90	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (12-Jun-20)	1)CARE A4; ISSUER NOT COOPERATING* (03-Apr-19)	-

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

**Annexure 3: Complexity level of various instruments rated for this company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Fund-based - ST-Standby Line of Credit	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**