

Classic Products Private Limited

March 31, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---|---------------------|--|---|
| Long Term Bank Facilities | 17.00 | CARE BB; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB+; Stable |
| Long Term / Short Term Bank Facilities | 11.00 | CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BB+; Stable / CARE A4+ |

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Classic Products Private Limited (CPPL) to monitor the ratings vide e-mail communication dated March 19, 2025, March 20, 2025, March 21, 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 has reviewed the rating on the basis of the best available information which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. CARE Ratings has downgraded the outstanding ratings assigned to bank facilities of CPPL. The rating on Classic Products Private Limited's Bank facilities will be denoted as **CARE BB; Stable/ 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).

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:
Key weaknesses
Modest scale of operations

The scale of operations of CPPL remained modest with the Total Operating Income (TOI) stood at Rs. 123.99 crore in FY24 vis-à-vis Rs. 125.43 crore in FY23 reflecting marginal decline.

Moderate and fluctuating profit margins along with deterioration in FY23

The profitability margins of CPPL marginally improved in FY24 wherein the PBILDT margin stood at 6.67% in FY24 vis-à-vis 6.18% in FY23. The marginal improvement is on account of decrease in various fixed overheads.

Moderate capital structure and debt coverage indicators

The overall gearing ratio remained stable at 1.16x as on Mar 31, 2024 vis-à-vis 1.28x as on Mar 31, 2023 given the stable debt position of CPPL as on balance sheet date along with moderate tangible net worth base of Rs. 34.40 crore as on Mar 31, 2024 vis-à-vis Rs. 32.74 crore as on Mar 31, 2023. Debt coverage indicators marked by TD/GCA deteriorated and stood at 24.44x as on Mar 31, 2024 vis-à-vis 15.94x as on Mar 31, 2023 owing to lower cash accruals of Rs. 1.64 crore in FY24 vis-à-vis Rs. 2.63 crore in FY23.

Working capital intensive nature of operations

The operating cycle of CPPL has marginally reduced yet elongated and stands at 170 days in FY24 from 174 days in FY23 owing to lower inventory period from 169 days in FY23 to 165 days in FY24. Receivable and creditor days

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

remained stable at 70 days and 65 days respectively in FY24. Average working capital utilization remained almost fully utilized during past twelve months ended February 2025.

Presence in highly fragmented and competitive industry

The company operates in highly fragmented and competitive packaging industry and provides packing services primarily to the steel and glass products. Furthermore, the company deals with reputed customers which led to low bargaining power and liberal credit policies adopted by the company. Thus, the performance of the company is directly linked to the overall enactment of the steel and glass industry in India.

Key strengths

Experienced promoters in the packaging industry

The promoters, Mr. Suresh Balwant Singh Mutneja and Mrs. Shallu Suresh Mutneja has three decades of overall experience with more than a decade of experience in the packaging industry. The promoters manage the day to day operations of the company and they are assisted by qualified and experienced management team with an average experience of more than two decades in the respective fields.

Liquidity: Latest information not available

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|---------------|---------------------|-------------------------------|
| Industrials | Capital Goods | Industrial Products | Plastic Products - Industrial |

Classic Products Private Limited (CPPL), incorporated in 2004, is an ISO 9001:14001 certified company engaged in providing customized industrial packaging services and solutions primarily for players engaged in steel and glass industry and trading of packing material. CPPL sources the primarily raw material (HDPE and steel strapping) from Signode India Limited and HDPE Fabric and few steel items like ID (Inner Dimension Ring) and OD (Outer Dimension Ring) from its group company M/s Class Creations (engaged in manufacturing of HDPE & LDPE exclusively for CPPL). Further, CPPL has leased five sawmills (since 2010) at Gujarat and two at Kerala (since 2020), wherein it procures wooden logs and manufactures wooden packaging material which is used by CPPL for providing general packaging services. Moreover, CPPL has its unit (servicing facility) located at Maharashtra, Gujarat, Madhya Pradesh, Punjab, Chennai, Andhra, West Bengal, Haryana for manufacturing of packaging material exclusively for Saint Gobain Glass India Limited (rated CRISIL A1+ as on June 01, 2018). CPPL has two group companies namely M/s Class Creation (engaged in manufacturing of HDPE & LDPE exclusively for CPPL) and M/s Esskay Enterprises.

| Brief Financials (₹ crore) | March 31, 2023 (A) | March 31, 2024 (A) |
|----------------------------|--------------------|--------------------|
| Total operating income | 125.43 | 123.99 |
| PBILDT | 7.75 | 8.27 |
| PAT | 2.07 | 1.65 |
| Overall gearing (times) | 1.28 | 1.16 |

| | | |
|---------------------------|------|------|
| Interest coverage (times) | 1.76 | 1.94 |
|---------------------------|------|------|

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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-Cash Credit | - | - | - | - | 17.00 | CARE BB; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT/ ST-Cash Credit | - | - | - | - | 11.00 | CARE BB; Stable / 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 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1 | Fund-based - LT-Cash Credit | LT | 17.00 | CARE BB; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BB+; Stable; ISSUER NOT COOPERATING* (24-Jan-24) | 1)CARE BB+; Stable (01-Dec-22) | 1)CARE BB+; Stable (07-Jan-22) |
| 2 | Fund-based - LT/ ST-Cash Credit | LT/ST | 11.00 | CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING* (24-Jan-24) | 1)CARE BB+; Stable / CARE A4+ (01-Dec-22) | 1)CARE BB+; Stable / CARE A4+ (07-Jan-22) |

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

LT: Long 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-Cash Credit | Simple |
| 2 | Fund-based - LT/ ST-Cash Credit | Simple |

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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.

Contact us

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About us:

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Disclaimer:

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