

January 02, 2023

Azam Rubber Products Private 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	26.62	26.62	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' Category.
Long Term – Fund Based – Term Loan	43.23	43.23	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' Category.
Short Term – Non-Fund Based	5.80	5.80	[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' Category.
Long Term / Short Term – Unallocated	4.35	4.35	[ICRA]D/[ICRA]D ISSUER NOT COOPERATING*; Rating continues to remain under the 'Issuer Not Cooperating' Category.
Total	80.00	80.00	

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

[^]Instrument details are provided in Annexure I

Rationale

ICRA has retained the ratings for the bank facilities of Azam Rubber Products Private Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Azam Rubber Products Private 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. The current rating action has been taken by ICRA basis best available information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

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

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by a rated entity Policy on Default Recognition Entities in the Footwear Industry
Parent/ Group Support	Not Applicable
Consolidation/ Standalone	The ratings are based on the standalone financial profile of the company

About the company

Incorporated in 1994, ARPPL is promoted by Mr. Azam Khan. The company manufactures footwear, including hawai slippers, sandals and sports shoes, among others. It has two manufacturing units in Gorakhpur Industrial Development Authority (GIDA), Gorakhpur, Uttar Pradesh with a total installed capacity of 4.5 crore pairs of footwear annually (assuming 300 days of production). ARPPL produces hawai footwear and ethylene vinyl acetate/polyvinyl chloride (EVA/PVC) footwear. The main raw material used by the company is rubber, EVA and PVC, which is procured domestically. Its products are marketed in UP, Bihar, Jharkhand, Chhattisgarh and Madhya Pradesh, under the brand name ARP, through a network of around 250 dealers.

Status of non-cooperation with previous CRA: CARE, vide its press release dated December 26,2022, has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating continues to be CARE D/CARE D; Issuer Not Cooperating. [Link](#)

Any other information: Not Applicable

Rating history for past three years

Instrument	Current rating (FY2023)				Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Amount outstanding as of (Rs. Crore)	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021		Date & rating in FY2020			
				Jan 2, 2023	Oct 18, 2022	Dec 30, 2021	Oct 28, 2020	May 05, 2020	Sep 16, 2019	Jul 26, 2019	Apr 05, 2019	
1 Cash Credit	Long Term	26.62	-	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D	[ICRA]D	-	-	-	-	-
2 Term Loan	Long Term	43.23	-	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D	[ICRA]D	-	-	-	-	-
3 Non-Fund Based	Short-Term	5.80	-	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D	[ICRA]D	-	-	-	-	-
4 Unallocated	Long Term / Short Term	4.35	-	[ICRA]D/ [ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D/ [ICRA]D; ISSUER NOT COOPERATING*	[ICRA]D/[ICRA]D	[ICRA]D/[ICRA]D	-	-	-	-	-
5 Issuer Rating	Long Term	-	-	-	-	[ICRA]D; Reaffirmed and Withdrawn	[ICRA]D	[ICRA]D	[ICRA]D; ISSUER NOT COOPERATING*	[ICRA] D	[ICRA]C +	

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

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non-Fund Based	Very Simple
Unallocated	Not Applicable

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	Cash Credit	-	-	-	26.62	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loan	Apr 2017	-	March 2027	43.23	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	5.80	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	4.35	[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING

Source: Company

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

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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