



## Press Release

### M B Rubber Private Limited

**August 02, 2024**

#### Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facility	13.97	IVR BB-/Negative; ISSUER NOT COOPERATING* [IVR Double B Minus with Negative Outlook; Issuer Not Cooperating*]	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative outlook; Issuer Not Cooperating)	Downgraded and continued under Issuer not Cooperating category	Simple
Short Term Bank Facility	17.00	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)	Reaffirmed and continued under Issuer not Cooperating category	Simple
<b>Total</b>	<b>30.97</b>	<b>(Rupees Thirty Crores and Ninety-Seven Lakh Only)</b>			

*\*Issuer did not cooperate; 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

The aforesaid rating has been downgraded for the long-term facilities and reaffirmed for the short-term facilities, further ratings have been continued under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management cooperation.

#### Detailed Rationale

The aforesaid rating downgrade to the bank facilities of MB Rubber Pvt Ltd (MBRPL) reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

IVR has rated the bank loan facilities of MBRPL in June 2023. Despite close follow up through telephone calls and mails dated July 4, 2024; July 17, 2024; July 18, 2024; July 19, 2024; July



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22, 2024, and July 24, 2024, and concurrently over multiple 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 IVR has downgraded the long-term bank facilities to IVR BB-/Negative ISSUER NOT COOPERATING and reaffirmed short term bank facilities at '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 MBRPL, aggregating to Rs 30.97 crore have been continued under '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](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

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

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

[Policy on issuer not cooperating](#)

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

### **About the Company**

M B Rubber Private Limited was incorporated in the year 1988. Company manufactures a wide variety of footwear including rubber, canvas wear, and hawaii slippers. It also



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manufactures raincoats and school bags. The Company's plant is located in Sahibabad, Ghaziabad, Uttar Pradesh. The plant has installed capacity to manufacture 60 Lakhs pairs of footwear, 10 Lakhs pcs of school bags, 5 Lakhs pcs of raincoats and 10 Lakhs miscellaneous items.

**Financials (Standalone): Latest financials are not available.**

(Rs. Crore)

For the year ended* / Rs. Crore	31-03-2022	31-03-2023
	Audited	Provisional
Total Operating Income	101.30	100.00
EBITDA	6.40	7.44
PAT	1.88	2.59
Total Debt	30.71	31.62
Tangible Net Worth	21.04	23.63
EBITDA Margin (%)	6.31	7.44
PAT Margin (%)	1.85	2.59
Overall Gearing Ratio (x)	1.46	1.34
Interest Coverage	2.54	2.60

\*Classification as per Infomerics` Standard

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

**Any other information:** Not Applicable

**Rating History for last three years:**

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-2022
					June 27, 2023	May 05, 2022	-
1.	Fund Based	Long Term	13.97	IVR BB-/Negative (INC)	IVR BB/Negative (INC)	IVR BB+/Stable	-
2.	Non-Fund Based	Short Term	17.00	IVR A4 (INC)	IVR A4 (INC)	IVR A4+	-

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



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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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 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 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	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term Bank Fund Based Facilities (Cash Credit)	--	--	--	--	10.00	IVR BB-/ Negative ISSUER NOT COOPERATING*
Long Term Fund Based Bank Facilities – Term Loan	--	--	--	Dec 2027	3.97	IVR BB-/ Negative ISSUER NOT COOPERATING*
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	--	--	--	--	11.00	IVR A4/ ISSUER NOT COOPERATING*
Short Term Non-Fund Based Bank Facilities – Letter of Credit	--	--	--	--	6.00	IVR A4/ ISSUER NOT COOPERATING*

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

**Annexure 2: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-mbrubber-aug24.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).