



Press Release

Moustache Industries Private Limited

July 10, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.50	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	5.30	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	22.80	-	-

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.22.80 Cr. bank facilities of Moustache Industries Private Limited (MIPL).

The rating is now flagged as "Issuer NotCooperating" and is based on the best available information.

The rating has been downgraded on account of information risk.

About the Company

Established in 1984 as Moustache International Private Limited based at Kolkata, the company was acquired by Mr. Suraj Kumar Poddar, Mrs. Sushma Poddar and Mr. Rohit Kumar Poddar (Son-in-law of Mr. Ashok Kumar Todi, promoter of Lux Industries Limited, rated at Acuité AA/Stable/A1+) in a slump sale transaction in September 2019 by floating a new entity named Moustache Industries Private Limited. The company is engaged in manufacturing of denim, shirt, t-shirt and winter wear under the brand names of 'Moustache', 'M Brand', 'Court Shop' and 'Soul'.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	10.92	12.28
PAT	Rs. Cr.	0.10	0.11
PAT Margin	(%)	0.88	0.92
Total Debt/Tangible Net Worth	Times	3.13	6.18
PBDIT/Interest	Times	1.18	1.26

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Apr 2022	Term Loan	Long Term	4.90	ACUITE BBB Negative (Reaffirmed)
	Standby Line of Credit	Short Term	1.80	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB Negative (Reaffirmed)
	FBN/FBP/FBD/PSFC/FBE	Short Term	3.50	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	3.60	ACUITE BBB Negative (Reaffirmed)
20 Jan 2021	Standby Line of Credit	Short Term	1.80	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	3.60	ACUITE BBB Negative (Assigned)
	Term Loan	Long Term	4.90	ACUITE BBB Negative (Reaffirmed)
	Cash Credit	Long Term	9.00	ACUITE BBB Negative (Reaffirmed)
	Packing Credit	Short Term	3.50	ACUITE A3+ (Reaffirmed)
28 Dec 2020	Packing Credit	Short Term	3.50	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	9.00	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	4.70	ACUITE BBB Negative (Reaffirmed)
	Standby Line of Credit	Short Term	1.80	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.60	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
State Bank of India	Not Applicable	FBN/FBP/FBD/PSFC/FBE	Not Applicable	Not Applicable	Not Applicable	Simple	3.50	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.80	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
State Bank of India	Not Applicable	Term Loan	31 Oct 2019	9.25	30 Sep 2027	Simple	4.90	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Geeta Karira Analyst-Rating Operations Tel: 022-49294065 geeta.karira@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.