

**Momai Apparels Limited**  
**May 22, 2020**

**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	0.00	-	<b>Issuer Not Cooperating; Revised from CARE C (CE)* [Single C (Credit Enhancement)] to CARE D [Single D] Issuer Not Cooperating; based on best available information and withdrawn</b>
<b>Total Facilities</b>	<b>0.00</b>		

*\*Previously backed by the unconditional and irrevocable corporate guarantee from Ashapura Intimate Fashions Limited (AIFL) to the lenders of Momai Apparels Limited (MAL) for repayment of debt obligations of MAL*

*Details of instruments/facilities in Annexure*

**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated December 26, 2018 had placed the ratings of Momai Apparels Limited (MAL) under the 'issuer non-cooperating' category as company had failed to provide information for monitoring of the rating. The revision in the rating takes into account the non-availability of requisite information due to non-cooperation by MAL with CARE's efforts to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile. 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 rating.***

MAL has been merged with Ashapura Intimate Fashions Limited (AIFL) [rated CARE D; Issuer Not Cooperating]. However, though proposal of merger of limits of Momai Apparels Limited (MAL) into AIFL were approved by the bank, but documentation was pending. Hence at the time of the previous review CARE continued to maintain ratings of MAL separately.

The previous ratings of 'CARE C (CE); Issuer Not Cooperating' assigned to the bank facilities of Momai Apparels Limited were backed by the unconditional and irrevocable Corporate Guarantee from AIFL. Since the bank facilities of AIFL<sup>2</sup> have been classified as NPA, CARE believes that the facilities of MAL are also likely to be in default and has accordingly taken the above rating action.

CARE has also withdrawn the outstanding ratings of MAL with immediate effect. The withdrawal action has been taken due to the amalgamation of the entity with its parent company Ashapura Intimate Fashions Limited (AIFL) wherein it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

**Analytical approach:** Standalone

**Applicable criteria**

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

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

[Policy on Withdrawal of ratings](#)

**About the Company**

Momai Apparels Limited (MAL) [erstwhile Momai Apparels Private Limited (MAPL)] is engaged in the business of manufacturing lounge wear, comfort wear and intimate wear primarily for AIFL. MAL belongs to Ashapura group which has been promoted by Mr Harshad Thakkar and his family. Incorporated in 2006, Ashapura Intimates Fashion Limited (AIFL) is engaged in the business of designing, branding, marketing and retailing of intimate garments under established brands (viz. Valentine, N-Line, Night & Day, Valentine Sports etc) and undertakes sales through organized retail chains and own outlets. All its products are being manufactured by its subsidiary, Momai Apparels Ltd (MAL) at its manufacturing facility in Vapi, Gujarat. However MAL has been merged with the company with appointed date of April 01, 2016. The National Company Law Tribunal Mumbai bench (NCLT) vide its order dated September 28, 2017 had approved the Scheme of Amalgamation of MAL with AIFL.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

<sup>2</sup> With reference to CARE's Press Release dated July 25, 2019

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

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

**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-Cash Credit	-	-	-	-	Withdrawn

**Annexure-2: Rating History of 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)CARE C (SO); ISSUER NOT COOPERATING* (26-Dec-18) 2)CARE C (SO) (23-Nov-18) 3)CARE B (SO); Stable (05-Nov-18) 4)CARE BBB- (SO) (Under Credit watch with Negative Implications) (15-Oct-18)	1)CARE A (SO); Stable (17-Nov-17)

**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.

## Contact us

### **Media Contact**

Name-Mr. Mradul Mishra

Contact no: +91-22-6837 4424

Email ID: [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

### **Analyst Contact**

Name – Mr. Arunava Paul

Contact no.- 022 6754 3667

Email ID- [arunava.paul@careratings.com](mailto:arunava.paul@careratings.com)

### **Business Development Contact**

Name - Mr. Saikat Roy

Cell: + 91 98209 98779

E-mail: [saikat.roy@careratings.com](mailto:saikat.roy@careratings.com)

### **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.

### **Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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