VALENTINE

Date: 27th January, 2017

The Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
Fax No.: 22722037/39/41/61/3121/3719
BSE Scrip Code: 535467

The Assistant Vice President
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Fax No.: 26598237/38
NSE Scrip Symbol: AIFL

Sub: Outcome of Board Meeting

Dear Sir/ Madam,

We wish to inform you that the Board Meeting of our Company, Ashapura Intimates Fashion Limited commenced at 5.45 P.M. and concluded at 6.30 P.M. on 27th January, 2017.

The Board of Directors of the Company has approved the notice of the Postal Ballot to approve the Scheme of Amalgamation between Momai Apparels Limited and Ashapura Intimates Fashion Limited and their respective shareholders and creditors, in accordance with the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India.

Please find attached the Postal Ballot Notice dated 27th January, 2017 herewith.

Request you to take the same on records and acknowledge the receipt of the same.

Thanking you.

Yours Faithfully,

For **Ashapura Intimates Fashion Limited**

ASHAPURA INTIMATES FASHION LIMITED
THANE
421329
MUMBAI
400028.

Bhoomi Mewada
Company Secretary & Compliance Officer

Place: Mumbai

ASHAPURA INTIMATES FASHION LIMITED

Regd Off.: Unit no.3/4, Pacific Plaza, Plot no.570, TPS IV, Off Bhavani Shankar Road, Mahim Division, Dadar (W), Mumbai- 400 028 **Tel No.:** 022 24331552/53; **Fax No.:** 022 24331506
CIN: L17299MH2006PLC163133 **Website:** www.ashapurafashion.com
E-mail.: cs@ashapuraintimates.com

NOTICE OF POSTAL BALLOT AND E-VOTING TO THE PUBLIC SHAREHOLDERS OF THE COMPANY

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, REGULATION 44 AND OTHER APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT(S) THEREOF FOR THE TIME BEING IN FORCE ("SEBI LODR") AND CIRCULAR NO. CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI").

To,

The Public Shareholders,

Ashapura Intimates Fashion Limited

The Board of Directors of Ashapura Intimates Fashion Limited (the "Applicant Company"), at its meeting held on March 31, 2016, approved the Scheme of Amalgamation of Momai Apparels Limited ("Transferor Company") with Ashapura Intimates Fashion Limited and their Respective Shareholders and Creditors pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, and other relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 as applicable (the "Scheme of Amalgamation" or "Scheme"), subject to the sanction by the High Court of Judicature at Bombay and subject to the approvals, inter alia, by: (i) the requisite majority of shareholders and creditors of the Applicant company; (ii) BSE Limited, National Stock Exchange of India Limited, the Securities and Exchange Board of India; and (iii) any other statutory/ regulatory authority (if required).

On October 27, 2016, the High Court of Judicature at Bombay, in Company Summons for Direction No. 828 of 2016, directed the Applicant Company to convene and hold a meeting of its equity shareholders on Wednesday, November 30, 2016 at Kohinoor Hall & Banquets, Kohinoor Corner, Veer Savarkar Marg, Opp. Siddhivinayak Mandir, Prabhadevi, Mumbai – 400025 at 11.00 am, (**"Court Convened Meeting"**) to consider and, if thought fit, approve with or without modification(s), the proposed amalgamation embodied in the Scheme of Amalgamation of Momai Apparels Limited with Ashapura Intimates Fashion Limited and their respective shareholders and creditors. The Court Convened Meeting was duly held, convened and concluded on Wednesday, November 30, 2016 in accordance with Company Summons for Direction No. 828 of 2016 by High Court of Judicature at Bombay and the Scheme of Amalgamation was approved by the shareholders with requisite majority.

In addition to the Court Convened Meeting, the Applicant Company is seeking the approval of the requisite majority of its Public Shareholders (as defined herein below) to the Scheme of Amalgamation by way of postal ballot and e-voting, as set out under circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India (the "SEBI" and such circular, the "SEBI Circular") and as set out in the Clause 17.1 of the approved Scheme of Amalgamation. For this purpose the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.

The proposed resolution for approving the Scheme of Amalgamation by way of postal ballot and e-voting is set out hereinafter for your consideration. A copy of the Explanatory Statement under Section 102 of the Companies Act, 2013, the Scheme of Amalgamation, Fairness Opinion, Postal Ballot Form and other relevant documents are also enclosed.

In compliance with the provisions of Section 108 and Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with circulars issued thereunder (to the extent applicable), the SEBI Circular, the Public Shareholders of the Applicant Company may cast their votes either through the postal ballot form or electronically i.e. e-voting. The Applicant Company has engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing e-voting facility to all its Public Shareholders.

Public Shareholders desiring to exercise their votes by postal ballot are requested to carefully read the instructions printed in the enclosed postal ballot form and in this Notice and return the same duly completed in the attached self-addressed, postage pre-paid envelope, so as to reach the scrutinizer not later than 5:00 p.m. on February 27, 2017. If any postal ballot is received after 5:00 p.m. on February 27, 2017, it will be considered that no reply from the Public Shareholder has been received.

Public Shareholders desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions in the Notes under the Section 'Voting through electronic means' in this Notice.

The scrutinizer will submit his report to the Chairman of the Applicant Company, on February 28, 2017 and the result of the postal ballot will be announced on February 28, 2017 at the Applicant Company's registered office. The result of the postal ballot will also be displayed at the said address and posted on the Applicant Company's website www.ashapurafashion.com besides communicating to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

NOTICE is hereby given to you to consider, and, if thought fit, approve with or without modification the Scheme of Amalgamation. The SEBI Circular provides that "*the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it*." This Notice is given in terms of the said SEBI Circular for consideration of the following resolution by postal ballot and e-voting pursuant to Section 108 and Section 110 of the Companies Act, 2013, read with relevant rules and Regulation 44 of SEBI LODR:

To consider and, if thought fit, to pass with or without modification the following resolutions with requisite majority as per the SEBI Circular:

"RESOLVED THAT pursuant to the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and relevant provisions of applicable laws, relevant clauses of the Scheme of Amalgamation of Momai Apparels Limited with Ashapura Intimates Fashion Limited and their Respective Shareholders and Creditors (the "Scheme of Amalgamation") and subject to the requisite approvals and sanction of National Company Law Tribunal (NCLT), the amalgamation embodied in the Scheme of Amalgamation, be and is hereby approved and agreed to, with/without modifications and/or conditions, if any, which may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme of Amalgamation, and/or by any other authorities under applicable law(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for the removal of any difficulties, the Board of Directors of the Applicant Company (which shall deem to include any committee or any person(s) which the Board may nominate or authorize to exercise its powers, including the powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme of Amalgamation and to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme of Amalgamation), which may be required or imposed by the NCLT while sanctioning the amalgamation embodied in the Scheme of Amalgamation or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme of Amalgamation, as the board of directors may deem fit and proper."

Dated at Mumbai this 27th day of January, 2017

By Order of the Board of Directors

Mr. Harshad Thakkar
Chairman

Registered Office:
Unit no 3/4, Pacific Plaza,
Plot no 570TPS IV,
Off Bhavani Shankar Road Mahim Division,
Dadar (W), Mumbai – 400 028

Notes:

A. General

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, is annexed hereto.

2. All documents referred to in the accompanying Explanatory Statement are open for inspection at the registered office of the Applicant Company between 10:00 a.m. and 5:00 p.m. on all working days upto February 27, 2017. The registered office of the Applicant Company is situated at Unit no 3/4, Pacific Plaza, Plot no 570 TPS IV, Off Bhavani Shankar Road Mahim Division, Dadar (W),Mumbai – 400 028.

   The Notice, together with the documents accompanying the same, is being sent to all the Shareholders registered post and electronically by e-mail to those Shareholders who have registered their e-mail ids with the Applicant Company/ registrar and share transfer agents/ NSDL/ CDSL), whose names appear in the register of members/list of beneficial owners as received from NSDL/CDSL as on January 20, 2017 ("cut-off date"). Any person who is a Public shareholder as on the cut-off date may cast their vote by ballot or by e voting. The Notice will be displayed on the website of the Applicant Company www.ashapurafashion.com and on the website of CDSL (www.cdslindia.com).

3. The date of dispatch of the Notice and the Explanatory Statement along with the postal ballot papers will be announced through advertisement in the following newspapers: (i) English language Newspaper; and (ii) Marathi language Newspaper, having wide circulation in the district where the registered office of Applicant Company is situated.

4. The Applicant Company has appointed Mr. Jaiprakash Singh of M/s Jaiprakash R. Singh & Associate, Practicing Company Secretary (Membership No. F7391), as the scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.

5. The resolution shall be considered approved by the Public Shareholders in case the votes in favour of the resolutions are more than the votes cast against the resolution.

   A postal ballot form along with self-addressed postage business reply envelope is also enclosed. Public Shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Public Shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Applicant Company's website www.ashapurafashion.com or seek duplicate postal ballot form from the Applicant Company. Members shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5:00 p.m. on or before February 27, 2017. Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.

6. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint members.

   The postal ballot form should be completed and signed by the Public Shareholder (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his/her absence, by the next named member. Holder(s) of Power of Attorney ("PoA") on behalf of a Public Shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form. The scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballots including e-votes submitted. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of the postal ballot including e-voting will be announced on February 28, 2017 at the registered office of the Applicant Company situated at Unit no 3/4, Pacific Plaza, Plot no 570 TPS IV, Off Bhavani Shankar Road Mahim Division, Dadar (W), Mumbai – 400 028. The results, together with the scrutinizer's Report, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.ashapurafashion.com, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

   In compliance with provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and other applicable laws, as stated hereinabove, the Applicant Company is pleased to offer e-voting facility to its Public Shareholders holding equity shares as on January 20, 2017 being the cut-off date, to exercise their right to vote electronically on the above resolutions.

7. Kindly note that the Public Shareholder can opt only one mode for voting i.e. either by physical ballot or e-voting. If you are opting for e-voting, then do not vote by physical ballot and vice versa. However, in case Public Shareholder(s) cast their vote both via physical ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.

8. The vote on postal ballot cannot be exercised through proxy.

9. The e-voting period commences on January 29, 2017 (9:00 a.m. IST) and ends on February 27, 2017 (5:00 p.m. IST). During this period, Public Shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the relevant date, i.e. January 20, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m on February 27, 2017 IST. Once the vote on the resolution is cast by a Public Shareholder, he or she will not be allowed to change it subsequently.

B. Voting through Electronic Means

The instructions for members for remote e-voting are as under:

The voting period begins on Sunday, 29th January, 2017 at 9.00 a.m. and ends on Monday, 27th February, 2017 5.00 p.m. During this period public shareholders of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th January, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

a) The shareholders should log on to the e-voting website www.evotingindia.com.

b) Click on Shareholders.

c) Now Enter your User ID

   (i) For CDSL: 16 digits beneficiary ID,

   (ii) Members holding shares in Physical Form should enter Folio Number registered with the Company.

d) Next enter the Image Verification as displayed and Click on Login.

e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

f) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stick indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

g) After entering these details appropriately, click on "SUBMIT" tab.

h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j) Click on the EVSN for the Company 'Ashapura Intimates Fashion Limited'.

k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

m) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

o) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

p) If Demat account holder has forgotten the same password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

q) Note for Non – Individual Shareholders and Custodians
   - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
   - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
   - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
   - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
   - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

r) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

s) The scrutinizer shall unblock the remote e-voting facility at the end of the e-voting period, in presence of atleast two witnesses not in the employment of the company and make a scrutinizers report of the votes cast in favor or against if any, to the Chairman.

t) The Chairman shall declare the result of the voting and the Company shall submit it to the Stock Exchanges within forty-eight hours of February 27, 2017. The results declared along with the scrutinizer's report shall be placed on the company's website: www.ashapurafashion.comand shall be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the company are listed.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE FOR POSTAL BALLOT AND E-VOTING OF THE EQUITY SHAREHOLDERS OF ASHAPURA INTIMATES FASHION LIMITED IN THE MANNER SET OUT UNDER SECURITIES AND EXCHANGE BOARD OF INDIA CIRCULAR NO. CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015.

1. Pursuant to an order dated *October 27,* 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders (Court Convened Meeting) of the Applicant Company was duly held, convened and concluded at Kohinoor Hall & Banquets, Kohinoor Corner, Veer Savarkar Marg, Opp. Siddhivinayak Mandir, Prabhadevi, Mumbai – 400025, on Wednesday, the November 30, 2016 at 11.00 am for the purpose of approving the amalgamation embodied in the Scheme of Amalgamation of Momai Apparels Limited ("Transferor Company") with the Applicant Company and their Respective Shareholders and Creditors (the "Scheme" or "Scheme of Amalgamation") under sections 391-394 of the Companies Act, 1956. The said resolution was duly passed in the CCM by the requisite majority of the shareholders.The Applicant Company and the Transferor Company have lodged their petition with the vide Lodging No CSP/933/2016 and CSP/932/2016 along with the Chairman's Result with the Hon'ble High Court of Bombay on December 13, 2016.The voting results, proceedings of Court Convened Meeting along with the Scrutinizer's Report under Regulation 44 of SEBI LODR were filed with the Exchanges on December 1, 2016.

2. In addition to the Court Convened Meeting, the Applicant Company is seeking the approval of the requisite majority of its Public Shareholders (as defined herein below) to the Scheme by way of postal ballot and e-voting, as set out under circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India (the "SEBI" and such circular, the "SEBI Circular").

3. The Scheme provides that the entire business and whole of the Undertakings (as defined in the Scheme) of the Transferor Company shall stand amalgamated with and be transferred and/ or deemed to be transferred to and vested in the Applicant Company so as to become the properties and assets and liabilities of the Applicant Company.

4. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, which has been approved by the board of directors of the Applicant Company and the Transferor Company at their respective Board Meeting's held on March 31, 2016 is attached to and forms part of this explanatory statement. The definitions contained in the Scheme shall also apply to this statement to the extent required.

5. Background of the Company

5.1 Ashapura Intimates Fashion Limited (Applicant Company)

a. Ashapura Intimates Fashion Limited, the Transferee Company (hereinafter referred to as "Applicant Company") was incorporated on 17th day of July, 2006 as a Private Limited Company under the name of Ashapura Apparels Private Limited and in consequence thereof Certificate of Incorporation was issued by the Registrar of Companies, Mumbai, Maharashtra. Later, the name of Applicant Company was changed to Ashapura Intimates Fashion Private Limited and fresh certificate for change of name was issued by the Registrar of Companies, Mumbai on 9th day of November, 2012. Further, the Applicant Company was converted into a public limited company and the word "private" was deleted from its name. Consequently, the name of company was changed to Ashapura Intimates Fashion Limited, its present name and a certificate of change of name was issued by Registrar of Companies, Mumbai, Maharashtra on 19th day of December, 2012.

b. The Registered Office of the Applicant Company is situated at Unit no 3/4, Pacific Plaza, Plot no 570, Masjid Gali, Off Bhavani Shankar Road, Dadar (W), Mumbai – 400 028.

c. The main objects of the Applicant Company are set out in the memorandum of association of the Applicant Company.

The main objects are as under:

- *To carry on the business of Manufacturing, processing, buying, selling, exporting and dealing in all kinds of garments including silk, art silk, cotton, synthetics, manmade fabrics, textiles and clothes.*
- *To carry on the business of spinners, weavers, Manufacturers, ginners, pressers, packers and Dealers of cotton, jute, hemp silk, pure silk artificial Silk, wool manmade fibre an any other fibrous materials and the cultivation thereof and the business of weaving or otherwise manufacturing, bleaching, printing, selling, tyams, otherwise cloth-linen and other goods and fabrics whether textiles fibre blended, or looped and of buying selling dealing in cotton and other materials yarn cloth linen and other goods or merchandise made thereof and to carry on the business of cotton spinners and doubles, linen wool, yarn and cloth merchants, bleachers and dyers, makers of vitriol, bleaching and dying materials and to transact at manufacturing or curing and preparing processes and all mercantile business that may be necessary or expedient for the Company and to purchase and sell raw material and manufactured articles.*

d. The Applicant Company is presently engaged in the business of designing, branding, marketing and retailing clothing products such as lounge wear, sleep wear, bridal night wear, honeymoon sets bathrobes, women inner wear, sportswear and kids lounge wear under the brand name 'Valentine'.

e. The authorized, issued, subscribed and paid-up share capital of the Applicant Company as on March 31, 2016 is as follows:

Particulars	Amount (Rs.)
Authorised	
23,000,000 Equity Shares of Rs.10/- each	230,000,000
Total	**230,000,000**
Issued, Subscribed and Paid Up	
1,9467,240 Equity Shares of Rs.10/- each	194,672,400
Total	**194,672,400**

Subsequent to the above, there has been no further change in the authorized, issued, subscribed and paid-up share capital of the Applicant Company.

The equity share of Applicant Company is, at present, listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

5.2 Momai Apparels Limited (Transferor Company)

a. Momai Apparels Limited is a listed limited company incorporated on January 10, 2010 under the provisions of the Companies Act, 1956, in the State of Maharashtra.

b. The registered office of the Transferor Company is situated at Shop No.305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar-(W), Mumbai – 400 028.

c. The main objects of the Transferor Company are set out in the memorandum of association. The main objects are as under:

- *To carry on the business of Manufacturing Processing buying selling exporting and dealing in all kind of garments including silk, art silk, cotton, synthetics man made fabrics textiles and clothes.*
- *To carry on the business of spinners, weavers, manufacturers ginners, pressers, packers and dealers of cotton, jute hemp silk, pure silk artificial silk, wool man-made Fiber an any other fibrous materials and the cultivation thereof and the business of weaving or otherwise manufacturing, bleaching printing, selling yearn, cloth-linen and other goods and fabrics whether textiles, fibre-blended, or looped and of buying selling and dealing in cotton and other materials yarn cloth linen and other goods or merchandise made thereof and to carry on the business of cotton spinners and doublets linen wool, yarn and cloth merchants bleachers and dyers makers of vitriol, Bleaching and dying materials and to transact all manufacturing or curing and Preparing processes and all mercantile business that may be necessary or expedient for the Company and to purchase and sell raw materials and Manufactured articles.*

d. The Transferor Company is presently engaged in the business of manufacturing non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear and women's innerwear.

e. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2016 is as follows:

Particulars	Amount (Rs.)
Authorised	
16,000,000 Equity Shares of Rs.10/- each	160,000,000
Total	**160,000,000**
Issued, Subscribed and Paid Up	
14,429,535 Equity Shares of Rs.10/- each fully paid	144,295,350
Total	**144,295,350**

Subsequent to the date of approval of the Scheme by the Board of Directors of the Transferor Company and as on date, there has been no further change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

f. The equity shares of the Transferor Company are listed on SME Board of NSE i.e. NSE Emerge.

6. Rationale for the Scheme of Amalgamation

6.1 The Transferor Company is a subsidiary of Transferee Company by virtue of control over management of the Transferor Company, one of the leading companies in the loungewear. The Transferor Company is engaged in the business of manufacturing of non-branded Intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear, leggings, camisole, slips and women's innerwear. The Transferee Company is in the business of designing, branding, marketing and retailing Intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes and night wear. Its products such as loungewear, bridal night wear, honeymoon sets and bathrobes under the brands "Valentine" and "N-Line" are available through large network of distributors to customers in India as well as other countries.

6.2 The amalgamation of the Transferor Company with the Applicant Company would have the following benefits:

a. Backward integration of business activities, thereby consolidation of business operations.

b. Greater integration and greater financial strength and flexibility for the amalgamated entity.

c. Improved competitive position of the combined entity in the market.

d. Greater efficiency in cash management, by cost reduction and unfettered access to cashflow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

e. Opportunity to leverage on brand, goodwill and combined assets, build a stronger sustainable business and will enable optimal utilization of existing resources and provide an opportunity to fully leverage capabilities and experience of both the companies.

f. Accessibility to broader markets and improved organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

g. Reduce regulatory compliance and multi-layer taxation of inter-se transaction.

6.3 The proposed Scheme would be in the best interest of the shareholders, creditors and employees of the Transferor Company and the Transferee Company, resulting in enhancement of shareholders and other stakeholder's value.

7. Salient features of the Scheme

A. The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date (as defined hereinafter) and shall be in compliance with the provisions of the Income-tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

B. "Appointed Date" means April 1, 2016 or such other date as may be approved by the Hon'ble High Court of Judicature at Bombay.

C. "Undertaking" means the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

i. All the assets and properties (whether moveable or immoveable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, but not limited to land (whether leasehold or freehold), computers, equipment, buildings and structures and other premises, offices and other equipment, stock-in-trade, capital work in progress, business commercial rights, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, trade investments and investments of all other kinds including shares or other securities held by the Transferor Company, interest free or interest bearing deposits including but not limited to rental security deposits including any other advances, cash balances or deposits with banks, fixed deposits and interest thereon, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, development rights whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, licenses, web portal and rights therein, fixed and other assets, intangible assets (including but not limited to software), trade and service names and brands, marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, hinds, benefits of assets or properties or other interest held in trust, all documents, records and papers maintained in pursuance of applicable laws, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Company, employee benefit plan, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax. credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the 'Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case.

ii. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations.

iii. All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer' credit information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.

iv. Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.

v. Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

vi. All debts (secured and unsecured), liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

vii. All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise.

viii. All permanent and temporary employees engaged by the Transferor Company at various locations.

D. Date of Taking Effect

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2 (1B) of the Income-tax Act, 1961, but shall be operative from the Effective Date.

E. Transfer and Vesting of Undertaking

Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

F. Issue of Consideration By The Transferee Company

Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company /register of beneficial owner with depository on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors):

10 (Ten) fully paid up Equity Shares of Rs 10/- each of the Transferee Company ("New Equity Shares") to the shareholders of the Transferor Company for every 27 (Twenty Seven) fully paid up Equity Shares of Rs. 10/- each held by them in the Transferor Company.

G. Scheme Conditional Upon Approvals/ Sanctions

This Scheme is conditional upon and subject to:

i. The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court and by way of postal ballot and e-voting in compliance with the guidelines issued by Securities and Exchange Board of India and in particular vide SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 or any modification to the same.

ii. The Scheme being sanctioned by the High Court.

iii. The certified copy or authenticated copy of the order(s) of the High Court sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company.

iv. Any other consents, approvals, permissions or sanctions from a Governmental Authority or any other statutory authority, as may be required by law for the implementation of the Scheme being obtained

8. The features set out above are only salient features of the Scheme and the members are requested to read the entire text of the

Scheme annexed hereto to get fully acquainted with the provisions thereof.

9. The rights and interests of the members and creditors of the Applicant Company and the Transferor Company will not be prejudicially effected by the Scheme and due provisions have been made for payment of the existing liabilities as and when the same fall due in usual course.

10. The Scheme was placed before the board of directors of both the Applicant Company and the Transferor Company in their respective meetings on March 31, 2016, for consideration and the same was approved by the respective boards. A valuation report prepared by an independent valuer, MZSK & Associates., Chartered Accountants, a member firm of BDO International dated March 30, 2016 and Fairness Report from M/s Pantomath Capital Advisors Private Limited, was placed before the board of directors of both the companies and the respective boards based on and relying upon the report of the valuer and on the basis of their independent evaluation and judgement have come to the conclusion that the proposed share exchange ratio (10 fully paid up equity shares of INR 10 each of the Applicant Company for every 27 fully paid up equity share of INR 10 each held in the Transferor Company) is fair and reasonable and have approved the same at their respective board meetings.

11. BSE Limited was appointed as the designated stock exchange by the Applicant Company for the purpose of coordinating with the SEBI, pursuant to the SEBI Scheme Circular. The Applicant Company has received observation letters regarding the Scheme from BSE Limited on July 12, 2016 and from the National Stock Exchange of India Limited on July 13, 2016. In terms of the observation letters of BSE Limited and the National Stock Exchange of India Limited dated July 12, 2016 and July 13, 2016 respectively, BSE Limited and the National Stock Exchange of India Limited conveyed their no adverse observations/no objection for filing the Scheme with the High Court. Copies of the observation letters dated July 12, 2016 and July 13, 2016 received from BSE Limited and the National Stock Exchange of India Limited are enclosed.

12. As required by the SEBI Scheme Circular, the Applicant Company has filed the Complaints Report with BSE Limited and the National Stock Exchange of India Limited on May 5, 2016. This report indicates that the Applicant Company received NIL complaints. A copy of the complaints report dated May 5, 2016 submitted with BSE Limited and the National Stock Exchange of India Limited is enclosed.

13. The Company has obtained requisite approval from the shareholders on the Scheme at the Court Convened Meeting held on Wednesday, 30th November, 2016in accordance with Company Summons for Direction No. 828 of 2016 by High Court of Judicature at Bombay.

14. The financial position of the Applicant Company will not be adversely affected by the Scheme. The financial position of the Applicant Company will continue to remain strong and it will be able to meet and pay its debts as and when they arise in the normal course of business.

15. The directors of the Applicant Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding in the companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the companies. Their interest in these companies shall not be treated in any way differently than the other shareholders of the aforesaid companies. Particulars of the interest of directors, key managerial personnel and their relatives are available for inspection at the respective registered offices of the aforesaid companies.

16. The details of shareholding (held either singly or jointly) of directors and key managerial personnel of the Applicant Company and the Transferor Company as on March 31, 2016 is set out below.

Sr. No.	Name	Designation	Shareholding	
			Shareholding Applicant (No.)	Shareholding Transferor
1	Harshad Hirji Thakkar	Managing Director (KMP)	11318440	230177
2	Dinesh Chanubha Sodha	Director	600000	765000
3	Hitesh Subhash Punjani	Director	NIL	1494000
4	Ramakant Madhav Nayak	Director	NIL	NIL
5	Anupama Manoj Sharma	Director	NIL	NIL
6	Ratan Nihalchand Thakur	Director	NIL	NIL
7	Mohit Shah	CFO (KMP)	NIL	1600
8	Manisha Pareek*	Company Secretary (KMP)	NIL	NIL

* Manisha Pareek has ceased to be employee of the Applicant Company from 30th June, 2016

17. The details of shareholding (held either singly or jointly) of directors and key managerial personnel of the Transferor Company in the Applicant Company and the Transferor Company as on March 31, 2016 is set out below.

Sr. No.	Name	Designation	Shareholding	
			Shareholding Applicant (No.)	Shareholding Transferor
1	Harshad Hirji Thakkar	Managing Director (KMP)	230177	11318440
2	Dinesh Chanubha Sodha	Director	765000	600000
3	Hitesh Subhash Punjani	Director	1494000	NIL
4	Tarak Bipinchandra Gor	Director	NIL	NIL
5	Alok Omprakash Nag	Director	NIL	NIL
6	Anupama Manoj Sharma	Director	NIL	NIL
7	Anurag Kuntilal Gangwal	CFO (KMP)	NIL	NIL
8	Bhoomi Mewada	Company Secretary (KMP)	NIL	NIL

18. The directors of the Applicant Company and the Transferor Company have not given loans to their respective companies.

19. The shareholding pattern of the Applicant Company as on March 31, 2016 (before scheme of amalgamation) and after Scheme of Amalgamation is set out below:

Sr. No.	Name	Pre Merger		Post Merger	
		Total No. of Shares held	Percentage Shareholding	Total No. of Shares held	Percentage Shareholding
(A)	**Promoter and Promoter Group**				
1	**Indian**				
(a)	Individuals / Hindu Undivided Family	13186640	67.7376	13683409	55.1492
(b)	Central Government/State Government	0	0	0	0
(c)	Bodies Corporate	0	0	0	0
(d)	Financial Institutions/Banks	0	0	0	0
(e)	Any Other (Ashapura Benefit Trust)	0	0	1070556	4.3147
2	**Foreign**				
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0
(b)	Bodies Corporate	0	0	0	0
(C)	Institutions	0	0	0	0
(d)	Any other	0	0	0	0
	Total holding of Promoter & Promoter Group	**13186640**	**67.7376**	**14753965**	**59.4639**
(B)	**Public Shareholding**				
1	**Institutions**				
(a)	Mutual Funds/UTI	640000	3.2876	640000	2.58
(b)	Venture Capital Fund	0	0	0	0
(C)	Alternate Investment Fund	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0
(f)	Financial Institution/Banks	9221	0.0474	9221	0.04
(g)	Insurance Companies	0	0	0	0
(h)	Provident Funds/Pension Funds	0	0	0	0
(i)	Any other	0	0	0	0
2	**Non-institutions**				
(i)	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1574477	8.0878	2544228	10.25
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	2184454	11.2212	4143314	16.70
(iii)	NBFCs registered with RBI	0	0	0	0
(iv)	Any other				
	-Trust	182133	0.9356	182133	0.73
	-Hindu Undivided Family	212487	1.0915	390283	1.57
	-Non Resident Indians (Non Repat)	10824	0.0556	10824	0.04
	-Non Resident Indians (Repat)	50292	0.2583	50292	0.20
	-Clearing Members	110246	0.5663	125062	0.50
	-Bodies Corporate	1306466	6.7111	1962317	7.91
	Total Public Shareholding	**6280600**	**32.2624**	**10057674**	**40.5361**
	TOTAL	**19467240**	**100.00**	**24811639**	**100.00**

20. The shareholding pattern of the Transferor Company as on March 31, 2016 is set out below (before scheme of amalgamation):

Sr. No.	Name	Total no. of shares held	Percentage Shareholding
(A)	**Promoter & Promoter Group**		
1	**Indian**		
(a)	Individuals / Hindu Undivided Family	3120677	21.6270
(b)	Central Government/State Government	0	0
(c)	Bodies Corporate	0	0
(d)	Financial Institutions/Banks	0	0
(e)	Any Other	0	0

2	**Foreign**		
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(C)	Institutions	0	0
(d)	Any other	0	0
	Total holding of Promoter & Promoter Group	**3120677**	**21.6270**
(B)	**Public Shareholding**		
1	**Institutions**		
(a)	Mutual Funds/UTI	0	0
(b)	Venture Capital Fund	0	0
(C)	Alternate Investment Fund	0	0
(d)	Foreign Venture Capital Investors	0	0
(e)	Foreign Portfolio Investor	0	0
(f)	Financial Institution/Banks	0	0
(g)	Insurance Companies	0	0
(h)	Provident Funds/Pension Funds	0	0
(i)	Any other	0	0
2	**Non-institutions**		
(i)	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1817408	12.5951
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	7200650	49.9022
(iii)	NBFCs registered with RBI	0	0
(iv)	Any other		
	- Trust	0	0
	- Hindu Undivided Family	480000	3.3265
	- Non Resident Indians (Non Repat)	0	0
	- Non Resident Indians (Repat)	0	0
	- Clearing Members	40000	0.2772
	- Bodies Corporate	1770800	12.2721
	Total Public Shareholding	**11308858**	**78.3730**
	TOTAL	**14429535**	**100.00**

21. The Scheme is conditional and subject to necessary sanctions and approvals set out in the Scheme.

22. No winding up petitions have been pending and/or admitted against the Applicant Company and the Transferor Company.

23. The following documents will be open for inspection by the equity shareholders of the Applicant Company up to February 27, 2017 at its registered office between 10:00 am and 5:00 pm on all working days (except Sundays and holidays):

    a. Authenticated copy of the Order of the Hon'ble High Court of Judicature at Bombay in the Company Summons for Directions No 203/2016 directing convening of the meeting

    b. Copy of Company Summons for Direction No 828/2016 and the affidavit in support thereof;

    c. Memorandum and Articles of Association of the Applicant Company and the Transferor Company;

    d. Audited financial statements of the Applicant Company and the Transferor Company as on March 31, 2016 and unaudited financial statements of the Applicant Company and the Transferor Company as on September30, 2016;

    e. Copy of the valuation report dated March 30, 2016 issued by MZSK & Associates, Chartered Accountants, a member firm of BDO International;

    f. Copy of the Fairness Opinion dated March 31, 2016 issued by Pantomath Capital Advisors (P) Limited, Merchant Banker;

    g. Particulars of the interested directors and their relatives;

    h. Copy of complaints report dated May 5, 2016 submitted by Applicant Company to BSE Limited and National Stock Exchange of India Limited;

    i. Copy of complaints report dated May 5, 2016 submitted by Transferor Company to National Stock Exchange of India Limited;

    j. Copy of Audit Committee Report dated March 31, 2016;

    k. Copies of board resolutions passed by board of directors of Applicant Company and Transferor Company in their respective meetings on March 31, 2016;

    l. Copy of no adverse observations / no-objection letters issued by BSE Limited dated July 12, 2016 and by National Stock Exchange of India Limited dated July 13, 2016 to Applicant Company;

m. Copy of no adverse observations / no-objection letters issued by National Stock Exchange of India Limited dated July 13, 2016 to Transferor Company;

n. Scheme of Amalgamation.

o. Certified True Copy of the resolution passed by the Applicant Company at the Court Convened Meeting held on Wednesday, November 30, 2016.

p. Certified True Copy of the resolution passed by the Transferor Company at the Court Convened Meeting held on Wednesday, November 30, 2016.

24. A copy of the Scheme and this statement may also be obtained from the registered office of the Applicant Company and/or at the office of the advocates of the Applicant Company, M/s Hemant Sethi & Co at 309 (3rd Floor), New Bake House, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai 40 0023 during ordinary business hours on all working days (except Saturdays, Sundays and holidays).

25. Your directors recommend the resolution as set out in the notice for majority approval of public shareholders.

Dated at Mumbai this 27th day of January, 2017

By Order of the Board of Directors

Registered Office:
Unit no 3/4, Pacific Plaza, Plot no 570 TPS IV,
Off Bhavani Shankar Road Mahim Division, Dadar (W),
Mumbai – 400 028

Mr. Harshad Thakkar
Chairman

SCHEME OF AMALGAMATION

OF

MOMAI APPARELS LIMITED

WITH

ASHAPURA INTIMATES FASHION LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under section 391 to 394 of the Companies Act, 1956)

1. **INTRODUCTION**

1.1 **Preamble**

This Scheme of Amalgamation ("Scheme") provides for amalgamation of Momai Apparels Limited ("Transferor Company") with Ashapura Intimates Fashion Limited ("Transferee Company"), both incorporated under the Companies Act, 1956 ("the Act"), pursuant to Sections 391 to 394 of the Act and other relevant provisions of the Act.

1.2 **Description of the Transferor Company and the Transferee Company**

- **The Transferor Company:**

  Momai Apparels Limited is a company incorporated under the provisions of the Act on January 21, 2010 and currently having its registered office at Shop No. 305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar - West, Mumbai – 400 028. The Corporate Identification Number of the Transferor Company is L18109MH2010PLC199178. The equity shares of the Transferor Company are listed on the SME Exchange of National Stock Exchange of India Limited i.e. NSE Emerge platform.

- **The Transferee Company:**

  Ashapura Intimates Fashion Limited is a company incorporated under the provisions of the Act on July 17, 2006 and currently having its registered office at Unit no 3/4, Pacific Plaza, Plot no 570, Masjid Gali, Off Bhavani Shankar Road, Dadar (W), Mumbai – 400 028. The Corporate Identification Number of the Transferee Company is L17299MH2006PLC163133. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India of India Limited.

1.3 **Rationale for the Scheme**

- The Transferor Company is a subsidiary of Transferee Company by virtue of control over management of the Transferor Company, one of the leading companies in the loungewear. The Transferor Company is engaged in the business of manufacturing of non-branded Intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear, leggings, camisole, slips and women's innerwear.
- The Transferee Company is in the business of designing, branding, marketing and retailing Intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes and night wear. Its products such as loungewear, bridal night wear, honeymoon sets and bathrobes under the brands "Valentine" and "N-Line" are available through large network of distributors to customers in India as well as other countries;
- The proposed merger of the Transferor Company with the Transferee Company would result in
  a) backward integration of business activities, thereby consolidation of business operations;
  b) greater integration and greater financial strength and flexibility for the amalgamated entity;
  c) improved competitive position of the combined entity in the market;
  d) greater efficiency in cash management, by cost reduction and unfettered access to cashflow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
  e) opportunity to leverage on brand, goodwill and combined assets, build a stronger sustainable business and will enable optimal utilization of existing resources and provide an opportunity to fully leverage capabilities and experience of both the companies;

f) accessibility to broader markets and improved organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry; and

g) reduce regulatory compliance and multi-layer taxation of inter-se transaction;

The proposed Scheme would be in the best interest of the shareholders, creditors and employees of the Transferor Company and the Transferee Company, resulting in enhancement of shareholders and other stakeholder's value.

1.4 In view of the aforesaid, the Board of Directors (as defined hereinafter) of the Transferor Company and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking (as defined hereinafter) and business of the Transferor Company into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

1.5 In furtherance of the aforesaid, this Scheme provides for:

a. the amalgamation of the Transferor Company with the Transferee Company;

b. the consequent issue of shares by the Transferee Company to the shareholders of the Transferor Company; and

c. various other matters consequential or otherwise connected herewith pursuant to Sections 391 to 394 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in this Scheme.

1.6 The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date (as defined hereinafter) and shall be in compliance with the provisions of the Income-tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

1.7 **Definitions:**

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

a. "Act" or "the Act" means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme of Amalgamation by the Board of Directors of the Transferor Company and the Transferee Company, sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act is reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted;

b. "Appointed Date" means April 1, 2016 or such other date as may be approved by the Hon'ble High Court of Judicature at Bombay;

c. "Board of Directors" or "Board" means the Board of Directors of the Transferor Company or the Transferee Company, as the ease may be, and shall include a duly constituted committee thereof;

d. "Court" or "High Court" means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable;

e. "Effective Date" means last of the dates on which the certified copies of the order sanctioning this Scheme of Amalgamation, passed by the High Court or such other competent authority, as may be applicable, are filed with the Registrar of Companies, by the Transferor Company and the Transferee Company or the date on which the shares of the Transferor Company has completed a period of 2 years of their listing on NSE Emerge platform. All references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;

f. "New Equity Shares" means new equity shares of the Transferee Company as referred to in Clause 8 herein below;

g. "Record Date" means the date, after the Effective Date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Equity Shares in the Transferee Company pursuant to Clause 8 of the Scheme, upon coming into effect of this Scheme;

h. "Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor Company and the Transferee Company or by the High Court or any other relevant authority;

i. "SEBI" means the Securities and Exchange Board of India;

j. "SEBI Circular" means circular issued by SEBI, bearing reference number CIR/CID/CM D/16/2015 dated 30 November 2015 and any amendments thereto including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

k. "Transferee Company" means Ashapura Intimates Fashion Limited, a company incorporated under the provisions of the Act on July 17, 2006 and currently having its registered office at Unit no 3/4 Pacific Plaza, Plot no 570, Masjid Gali, Off Bhavani Shankar Road, Dadar-(W), Mumbai – 400 028;

l. "Transferor Company" means Momai Apparels Limited, a company incorporated under the provisions of the Act on January 10, 2010 and currently having its registered office at Shop No.305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar-(W), Mumbai – 400 028;

m. "Undertaking" means the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

(i) All the assets and properties (whether moveable or immoveable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, but not limited to land (whether leasehold or freehold), computers, equipment, buildings and structures and other premises, offices and other equipment, stock-in-trade, capital work in progress, business commercial rights, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, trade investments and investments of all other kinds including shares or other securities held by the Transferor Company, interest free or interest bearing deposits including but not limited to rental security deposits including any other advances, cash balances or deposits with banks, fixed deposits and interest thereon, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, development rights whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, licenses, web portal and rights therein, fixed and other assets, intangible assets (including but not limited to software), trade and service names and brands, marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, hinds, benefits of assets or properties or other interest held in trust, all documents, records and papers maintained in pursuance of applicable laws, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Company, employee benefit plan, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax. credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the 'Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case.

(ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations.

(iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer' credit information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.

(iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.

(v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income

Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

(vi) All debts (secured and unsecured), liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

(vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise.

(viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 DATE OF TAKING EFFECT

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2 (1B) of the Income-tax Act, 1961, but shall be operative from the Effective Date.

3 SHARE CAPITAL

3.1 Transferor Company:

The Share Capital of the Transferor Company, as per the last audited accounts as on March 31, 2015 is set below:

Authorised share capital	Amount in Rs
1,60,00,000 equity shares of face value of Rs. 10 each	16,00,00,000
TOTAL	**16,00,00,000**
Issued, subscribed and paid-up share capital	
1,44,29,535 shares of face value of Rs. 10 each	14,42,95,350
TOTAL	**14,42,95,350**

As on the date of the Board meeting approving the Scheme, the Transferee Company holds 28,90,500 equity shares of Rs. 10/- each fully paid-up of the Transferor Company. Subsequent to March 31, 2015 there is no change in the issued, subscribed and paid up share capital of the Transferor Company.

3.2 Transferee Company:

The share capital of the Transferee Company, as per the last audited accounts as on March 31, 2015 is as set out below:

Authorised share capital	Amount in Rs
2,30,00,000 shares of face value of Rs. 10 each	23,00,00,000
TOTAL	**23,00,00,000**
Issued, subscribed and paid-up share capital	
1,94,67,240 shares of face value of Rs. 10 each	19,46,72,400
TOTAL	**19,46,72,400**

Subsequent to March 31, 2015 there is no change in the issued, subscribed and paid up share capital of the Transferee Company.

3.3 The authorised share capital of the Transferor Company will be transferred to the Transferee Company as stated under Clause 14 of the Scheme. If required further, thereafter, upon the Scheme becoming effective, the Transferee Company will suitably enhance its authorised capital at the appropriate time.

3.4 The existing equity shares of the Transferor Company are listed on the SME platform of National Stock Exchange of India Limited i.e. NSE emerge platform. The existing equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.

4 TRANSFER AND VESTING OF UNDERTAKING

4.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

4.2 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

a. All assets and properties of the Transferor Company as on the Appointed Date and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.

b. In respect of such assets owned and belonging to the Transferor Company as movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.

c. In respect of movables other than those dealt with in Clause 4.2 (b) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

d. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deem to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

4.3 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

All the liabilities including all secured and unsecured debts, sundry creditors, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "Liabilities") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the effective date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

i. Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date be deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

ii. All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date but prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.

4.4 The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party concerned, that pursuant to the High Court sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right to recover or realise the same is in substitution of the right of the Transferor Company.

4.5 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

4.6 Any existing, encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties of the Transferee Company and shall not extend or attach to all of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

4.7 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required. It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that, such amendment is required by necessary implication.

4.8 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

4.9 Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, only to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

5 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

5.1 Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

5.3 The Transferee Company shall be entitled to the benefit of all insurance policies which may have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.

5.4 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Transferor Company is replaced with that of Transferee Company, Transferee Company shall be entitled to operate the bank accounts of Transferor Company in the name of Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. It is hereby expressly clarified that any legal proceedings by or against Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company shall be instituted, or as the case maybe, continued by or against Transferee Company after the coming into effect of this Scheme.

6 **LEGAL PROCEEDINGS**

6.1 Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

6.2 The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7 **STANDSTILL PROVISIONS TILL EFFECTIVE DATE**

Upon approval of the Scheme by the board of directors of the Transferor Company and the Transferee Company and up to the Effective Date:

7.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties, assets and liabilities pertaining to the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date Further:

a. The Transferor Company shall carry on its business and other activities with reasonable diligence, business prudence and shall not without prior written consent of the Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of its assets or any part thereof;

b. Transferor Company shall not enter into any contracts, agreements, understandings, negotiations, memorandum of understanding and any other commercial understandings which relate to the business of the Transferor Company unless Transferor Company has obtained prior written consent of the Transferee Company;

c. All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, after the Appointed Date for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company;

d. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company If of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

e. All taxes (including income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it. relates to the tax payment (including, without limitation, sales tax, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

7.2 Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between Transferor Company and Transferee Company, if any, shall be considered as intra-party transactions for all purposes, from the Appointed Date. Any income tax (including tax deducted at source or dividend distribution tax) or service tax paid in relation to such transaction shall, to the extent permissible by applicable law, be claimed as a refund.

7.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary and as may be required under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

8 ISSUE OF CONSIDERATION BY THE TRANSFEREE COMPANY

8.1 Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company /register of beneficial owner with depository on the Record Date, or his / her/its legal heirs, executors or administrators or, as the case may be, successors):

10 (Ten) fully paid up Equity Shares of Rs □□/- each of the Transferee Company ("New Equity Shares") to the shareholders of the Transferor Company for every 27 (Twenty Seven) fully paid up Equity Shares of Rs. 10/- each held by them in the Transferor Company.

8.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme, The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, he held in abeyance by the Transferee Company.

8.3 Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

8.4 Upon the Scheme becoming effective, the Transferee Company shall notwithstanding anything to the contrary in this Scheme and the cancellation of shares held by the Transferee Company in the Transferor Company pursuant to the amalgamation in accordance with clause 9.8, issue New Equity Shares in lieu of the shares held by the Transferee Company in the Transferor Company to a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) (hereinafter referred to as the "Trustees") of the Ashapura Benefit Trust, established under the Trust Deed dated 30th day of March 2016, to have and to hold the New Equity Shares issued in accordance with clause 8.1 of this Scheme in trust together with all additions or accretions thereto upon trust for the benefit of the Transferee Company and/or its shareholders subject to the powers, provisions, discretions, rights and agreements contained in such Trust Deed. It is proposed that the Trustee may, subject however to the prevailing market conditions or to comply with the proviso of Section 232(3)(b) of the Companies Act, 2013 (as and when enacted), sell, transfer, release, cancel or dispose of the shares held by it/them at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company or the shareholders of the Transferee Company, as the case may be in accordance with the Trust Deed. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of the Trust Deed.

8.5 New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Transferee Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

8.6 Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held in the Transferor Company by the said members of Transferor Company, including the Transferee Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.

8.7 In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of the Transferor Company, provided all details relating to the account with the depository participant are available to the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of the Transferee Company or committee thereof.

8.8 Upon the coming into effect of the Scheme, the New Equity Shares of the Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and the New Equity Shares shall rank pari passu from the date of allotment in all respects with the existing equity shares of the Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

8.9 Approval of the Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.

8.10 If any shareholder of the Transferor Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with clause 8.1 of this Scheme, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company (the 'Fractional Entitlement Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Fractional Entitlement Trustee who shall hold the same as a trustee for and on behalf of such shareholders of the Transferor Company, and shall dispose off the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.

8.11 Without prejudice to Clause 14, the Transferee Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.

9 **ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY**

On the Scheme taking effect, the Transferee Company shall account for amalgamation of the Transferor Company with the Transferee Company in its books of account with effect from the Appointed Date as under:

9.1 The Transferee Company shall account for amalgamation of the Transferor Company with the Transferee Company in its books of account in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard 14 - "Accounting for Amalgamations" (AS-14) as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rule, 2014.

9.2 All the assets recorded in the books of account of the Transferor Company as on the Appointed Date and transferred to and vested in the Transferee Company, subject to clause 9.6 and clause 9.7, pursuant to the Scheme shall be recorded by the Transferee Company at their respective book values and in the same form.

9.3 All the liabilities recorded in the books of account of the Transferor Company as on the Appointed Date and transferred to and vested in the Transferee Company, subject to clause 9.6 and clause 9.7, pursuant to the Scheme shall be recorded by the Transferee Company at their respective book values and in the same form.

9.4 The identity of the reserves of the Transferor Company, if any, to the extent possible shall be preserved and they shall appear in the financial statement of the Transferee Company in the same form and manner, in which they appeared in the financial statement of the Transferor Company, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statement of the Transferor Company available for distribution as dividend, the same would also be available in the financial statement of the Transferee Company for distribution as dividend on and after the Effective Date.

9.5 The face value of the New Equity Shares of the Transferee Company issued to the members of the Transferor Company in accordance with Clause 8, including the New Equity Shares issued in accordance with clause 8.4 above shall be credited to the equity share capital account in the books of the Transferee Company.

9.6 Inter-company balances (whether as inter-corporate loans or otherwise) between the Transferor Company and the Transferee Company if any, other than investments held by the Transferee Company in the Transferor Company, would stand cancelled. For the removal of doubts, there would be no accrual of interest or other charges in respect of any such inter-company loans, debentures, debt securities or balances with effect from the Appointed Date.

9.7 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted against the reserve account of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

9.8 The surplus arising between (A) the aggregate values of assets of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 9.1 or cancelled in terms of in terms of clause 9.6 after making necessary adjustments as per clause 9.7 above; and (B) the aggregate of (a) the liabilities of the Transferor Company acquired and recorded by the Transferee Company in terms of clause 9.3 or cancelled in terms of in terms of clause 9.6 after making necessary adjustments as per clause 9.7 above, (b) amount recorded as share capital issued and allotted as per clause 11, (c) reserves of the Transferor Company recorded by the Transferee Company as per clause 9.4, and (d) the reduction in the value of investments in the shares of the Transferor Company in the books of the Transferee Company, shall be credited to the Capital Reserve Account of the Transferee Company. In case of deficit, as computed above, such deficit shall be debited to the Reserves of the Transferee Company.

9.9 Further, upon the proviso to Section 232(3)(b) of the Companies Act, 2013 becoming effective and the Ashapura Benefit Trust is not in a position to sell, transfer, otherwise dispose of or distribute the New Equity Shares held by it in the Transferee Company, either to the Transferee Company or the shareholders of the Transferee Company in accordance with this Scheme read with the Trust Deed, the Transferee Company shall immediately and without any further intimation to the shareholders of the Transferee Company, shall cancel the New Equity Shares held by Ashapura Benefit Trust in the Transferee Company.

The reduction, as specified above, in the share capital of the Transferee Company, if effected shall be an integral part of the Scheme in accordance with the provisions of Section 100 to 103 of the Act or the corresponding provisions under the Companies Act, 2013, when enacted and the order of the High Court sanctioning this Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital to the shareholders, and the provision of Section 101of the Act will not be applicable. The Transferee Company would file necessary documents, e-forms with the relevant authorities to give effect to the reduction.

10 **DIVIDEND AND SHARE ISSUANCES**

From the date of approval of the Scheme by the Board of Directors of the Transferor Company to the Effective Date:

10.1 Except with the prior written consent of the Transferee Company, the Transferor Company shall not declare/ pay dividend, with respect to its equity shares. However, prior written consent of the Transferee is not required, if the Transferor Company declare/ pay dividend to its equity shareholders for the financial year ended 31 March 2016 equal to or to the extent of dividend declared during immediately preceding financial year ending on 31 March 2015, subject to that such dividend for financial year 2016 is paid in the similar month of 2016 as compared with that of 2015.

10.2 The Transferor Company, except as mentioned otherwise in this Scheme shall not issue or allot any shares, right shares, bonus shares or any other security or obtain any financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.

10.3 Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this scheme continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

11 **BRANDS AND TRADEMARK**

11.1 Upon the effectiveness of the Scheme, the Transferee Company will be entitled to all the brands and trademarks of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

12 TRANSFEROR COMPANY EMPLOYEE

12.1 Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed employees) of the Transferor Company as on the Effective Date, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Transferor Company, so as to become the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company.

12.2 It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in relation to the obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its on fund with respect to any such hinds of the Transferor Company, the

Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the 'purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out be done by the for transfer of such fund / assets / value, etc. to the Transferee Company in this regard.

13 DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

13.1 Upon the effectiveness of this Scheme, the Transferor Company shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

13.2 Upon the coming into effect of this Scheme, the resolutions, and other actions undertaken by the Transferor Company including the approvals that may have been obtained by the Transferor Company from its shareholders under provisions of Section 180, Section 186, approvals that may have been obtained for payment of managerial remuneration under the Act and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

14 **AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY**

Combination and reclassification of Authorised Share Capital

14.1 As an integral part of the Scheme, and, upon coming into effect. of the Scheme, the authorized share capital of the Transferor Company, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company shall be altered accordingly.

14.2 After taking into effect of the aggregation of authorised capital pursuant to clause 14.1 above, Clause V of the Memorandum of Association of Transferee Company will be increased as under:

Authorised share capital	Amount in Rs
3,90,00,000 Equity Shares of face value Rs. 10 each	39,00,00,000
TOTAL	39,00,00,000

14.3 Clause V(a) of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause:

The Authorized Share Capital of the Company is Rs. 39, 00, 00,000/- divided into 3,90,00,000 equity shares of Rs. 10/- each.

14.4 Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

14.5 It is hereby provided that the amendment under this Clause shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined and re-classified authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased and re-classified.

14.6 The approval of this Scheme by the shareholders of the Transferor Company and Transferee Company under Sections 391-394 of the Act shall be deemed to be the approvals under Section 13 and 61 of the Companies Act 2013 and other applicable provisions of the Act.

15 **APPLICATION TO THE HIGH COURT**

The Transferor Company and the Transferee Company shall make joint applications/petitions, if allowed, under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Bombay for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of Act and to obtain all approvals as may be required under law.

16 **MODIFICATIONS, AMENDMENTS TO THE SCHEME**

16.1 If at any time the High Court or any regulatory authority, including the Stock Exchanges or SEBI, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Company and the Transferee Company except with their prior consent provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company shall perform such part accordingly.

16.2 The respective Boards of Directors of the Transferor Company and the Transferee Company may empower a committee or any individual director or officer of the respective companies to discharge all or any of the powers and functions, which the said Boards of Directors / their Authorised Representatives are entitled to exercise and perform under the Scheme.

16.3 Subject to the foregoing, the Transferor Company (by any of its Directors / Authorised Representatives) and the Transferee Company (by any of its Directors / Authorised Representatives):

a. may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the High Court or any authorities under the law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

b. are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;

c. for the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

d. mutually agree to modify any of the terms of this Scheme, subject to approval of the High Court in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

17 **SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS**

17.1 This Scheme is conditional upon and subject to:

a. The Scheme being approved by the requisite majorities in number and value of such classes of shareholders and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court and by way of postal ballot and e-voting in compliance with the guidelines issued by Securities and Exchange Board of India and in particular vide SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 or any modification to the same;

b. The Scheme being sanctioned by the High Court;

c. The certified copy or authenticated copy of the order(s) of the High Court sanctioning the Scheme being filed with the Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company.

d. Any other consents, approvals, permissions or sanctions from a Governmental Authority or any other statutory authority, as may be required by law for the implementation of the Scheme being obtained;

18 **TAXES / DUTIES / CESS ETC.**

18.1 Upon the Scheme coming into effect the Transferee Company will be successor of the Transferor Company. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Company as well as the unutilized credits relating to service tax paid on input services consumed by the Transferor Company, as may be applicable shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.

18.2 Upon the Scheme coming into effect, income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Alternative Minimum Tax, Minimum Alternative Tax, wealth tax, if any, paid by the Transferor Company shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund adjustment for the same as may be applicable. MAT credit available with the Transferor Company under the Income Tax Act, 1961, if any, shall be available to the Transferee Company.

18.3 If the Transferor Company is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company, The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.

18.4 Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

19 **EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION**

In the event any of the conditions, sanctions and/or approvals referred to in Clause 17 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the High Court and/or the Order has not been passed as aforesaid on or before March 31, 2017, or such other date as mutually agreed by the Boards of Directors of the Transferee Company and the Transferor Company ("Long Stop Date"), either the Transferor Company or the Transferee Company may opt to terminate this Scheme. If the Transferor Company and the Transferee Company jointly opt to withdraw/terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect, and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter se by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available to the Transferor Company, if the Transferor Company's failure to fulfill any obligation mutually agreed with the Transferee Company shall have been the cause of, or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date. In case of termination, the Transferor Company and the Transferee Company shall bear it's owns costs and expenses or as may be mutually agreed.

20 **SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

21 **COST**

Subject to the provisions of Clause 19 of this Scheme, all costs, charges and expenses (including but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of / payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

MZSK
& Associates
Chartered Accountants

March 30, 2016

To,

The Board of Directors
Ashapura Intimates Fashion Limited
Unit no 3/4, Pacific Plaza,
Plot no 570, Masjid Gali,
Off Bhavani Shankar Road, Dadar (W),
Mumbai - 400 028,

The Board of Directors
Momai Apparels Limited
Shop No. 305-309, 3rd Floor, Pacific Plaza,
Plot No.570, Masjid Gali,
Off Bhawani Shankar Road,
Dadar - West,
Mumbai - 400 028.

Sub: Recommendation of the fair equity share exchange ratio for the purpose of proposed Amalgamation of Momai Apparels Limited ("MAL") with Ashapura Intimates Fashion Ltd. ("AIFL")

We refer to our engagement letter, wherein Ashapura Intimates Fashion Ltd ("AIFL") has requested MZSK & Associates, Chartered Accountants (hereinafter referred to as "MZSK" or "We" or "Us"), a member firm of BDO International, to recommend fair equity share exchange ratio for the purpose of proposed amalgamation of Momai Apparels Limited ("MAL") with AIFL (hereinafter jointly referred to as the "Companies").

Subject to necessary approvals, MAL will be merged with AIFL with effect from Appointed Date April 1, 2016. In consideration for the amalgamation, equity shares of AIFL would be issued to the shareholders of MAL. In this connection, MZSK has been appointed to carry out the relative valuation of equity shares of AIFL and MAL to recommend Fair Equity Share Exchange Ratio.

This valuation report is in relation to information provided by the Companies and discussions we had with the management of the Companies ("Managements") from time to time in the above matter.



SCOPE AND PURPOSE OF THIS REPORT

Ashapura Intimates Fashions Limited (AIFL) founded in 2006, is a fashion house that designs, brands, markets and retails intimate garments for men, women and children. AIFL is in the business of designing, branding, marketing and retailing clothing products such as lounge wear, sleep wear, bridal night wear, honeymoon sets, bathrobes, women inner wear, sportswear and kids lounge wear under the brand name 'Valentine'.

AIFL was listed on the BSE SME segment in April 2013 and on 3rd June, 2015 it migrated to BSE Main Board. The equity shares of AIFL are listed on the BSE Limited ("BSE") and National Stock Exchange of India Ltd ("NSE"). For the FY ended March 31, 2015 AIFL reported standalone revenue of INR 177.44 crores and PAT of INR 8.67 crores.

Momai Apparels Limited ("MAL") was incorporated as Momai Apparels Private Limited on January 21, 2010 as a private limited company under the Companies Act, 1956. Subsequently it was converted into a public limited company vide fresh certificate of incorporation dated September 05, 2013 and consequently its name was changed to "Momai Apparels Limited". MAL was listed on NSE Emerge Platform in October 2014. AIFL holds ~20% stake in MAL.

MAL is engaged in the business of manufacturing non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear and women's innerwear. For the FY ended March 31, 2015, MAL reported revenue of INR 122.80 crores and PAT of INR 3.67 crores.

We understand that the Board of Directors ("Boards") of the Companies propose to consolidate the business operations of MAL with AIFL through a Scheme of Amalgamation under the provisions of Sections 391-394 of the Companies Act,1956 (including any statutory re-enactment thereof) ("Scheme") as under:

- Merge MAL into AIFL on a going concern basis with effect from April 1, 2016 (the "Appointed Date") (hereinafter referred as "Proposed Merger").
- The shareholders of MAL will be issued equity shares of AIFL as a consideration for the Proposed Merger.

In this connection, we have been requested by AIFL to submit a report recommending a fair equity share exchange ratio in the event of the Proposed Merger for the consideration of the Boards of the Companies. This report will be placed before the Audit Committees of the Companies, as per the SEBI Circular CIR/CID/CM D/16/2015 dated 30 November 2015 and the Board of the Companies and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Merger.

The scope of our services is to conduct relative valuation of AIFL and MAL for recommending a fair equity share exchange ratio for the Proposed Merger in accordance with generally accepted professional standards.



This report is our deliverable in respect of our recommendation of fair equity share exchange ratio for the purpose of the Proposed Merger. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. This report is to be read in totality and not in parts, in conjunction with the relevant documents referred to there in.

The Management of the Companies have informed us that they do not expect any events which are unusual or not in normal course of business up to the effective date of the Proposed Merger, other than the events specifically mentioned in this report. We have relied on the above while arriving at the fair equity share exchange ratio for the Proposed Merger.

SOURCES OF INFORMATION

In connection with this exercise, we have used information available in the public domain, information from the official website of the Companies and following information from the respective Management of the Companies:

AIFL

- Audited financial statements of AIFL for the years ended March 31, 2013, March 31, 2014 and March 31, 2015
- Financial statements of AIFL submitted to BSE and NSE for the periods up to December 31, 2015;
- Estimated Financial Statements of AIFL for the financial year ended March 31, 2016;
- Projected Profitability Statement of AIFL for the financial years ended March 31, 2017 to March 31, 2021;
- Projected Balance Sheet of AIFL for the financial years ended March 31, 2017 to March 31, 2021;
- Income Tax Return of AIFL for the Assessment Year 2015-16;

MAL

- Audited financial statements of MAL for the years ended March 31, 2013, March 31, 2014 and March 31, 2015
- Financial statements of MAL submitted to NSE for the periods up to September 30, 2015;
- Estimated Financial Statements of MAL for the financial year ended March 31, 2016;
- Projected Profitability Statement of MAL for the financial years ended March 31, 2017 to March 31, 2021;
- Projected Balance Sheet of MAL for the financial years ended March 31, 2017 to March 31, 2021;
- Income Tax Return of MAL for the Assessment Year 2015-16;

OTHERS

- Draft Scheme of Amalgamation of MAL with AIFL;
- Other relevant information and documents for the purpose of this engagement.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended ratios) for this engagement to make sure that factual inaccuracies are avoided in our final report.

MZSK & Associates

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Further, conducting a financial or technical feasibility study was also not covered. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to the purpose of valuation agreed as per the terms of our engagement; specific to the date of this report and based on the information provided by the Management of the Companies.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of March 30, 2016. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information available in the public domain as well as information sourced from international data bases and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation however will not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.



The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

The report does not look into the business/ commercial reasons behind the Proposed Merger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This valuation report is based on the extant regulatory environment and the business/market conditions, which are dynamic in nature and may change in future, thereby impacting the valuation of the Companies. The information presented in this valuation report does not reflect the outcome of any due diligence procedures, which may change the information contained herein and, therefore, the valuation report materially.

No investigation / enquiry of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of AIFL and MAL under the terms of our engagement, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Merger, without our prior written consent. In addition, this report does not in any manner address the prices at which AIFL or MAL's shares will trade following the announcement of the Proposed Merger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

We must emphasize that realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the respective Management's present expectation of both - the most likely set of future business events and

circumstances and the respective Management's course of action related to them. Our analysis, therefore will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

In the course of the valuation, we have assumed and relied upon, without independently verifying: (i) The accuracy of the information that was publicly available and formed a substantial basis for this report; and (ii) the accuracy of information sourced from databases and information made available to us by the Companies. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information available in the public domain. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.

Whilst, all reasonable care has been taken to ensure that facts stated in the report are accurate and opinions given are fair and reasonable, neither us, nor any of our Partners or Employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report.

SHARE CAPITAL DETAILS OF THE COMPANIES

Ashapura Intimates Fashion Limited

The Share Capital of AIFL, as per the last audited accounts as on March 31, 2015 is set below:

Authorised share capital	
2,30,00,000 shares of face value of Rs. 10 each	23,00,00,000
TOTAL	23,00,00,000
Issued, subscribed and paid-up share capital	
1,94,67,240 shares of face value of Rs. 10 each	19,46,72,400
TOTAL	19,46,72,400

Momai Apparels Limited

The Share Capital of MAL, as per the last audited accounts as on March 31, 2015 is set below:

Authorised share capital	
1,60,00,000 shares of face value of INR 10 each	16,00,00,000
TOTAL	16,00,00,000
Issued, subscribed and paid-up share capital	
1,44,29,535 shares of face value of INR 10 each	14,42,95,350
TOTAL	14,42,95,350

MZSK & Associates
Chartered Accountants

APPROACH - BASIS OF PROPOSED AMALGAMATION

The Proposed Merger contemplates the merger of MAL into AIFL pursuant to the Scheme of Amalgamation under sections 391 to 394 of the Companies Act, 1956. Arriving at the fair share exchange ratio for the Proposed Merger would require determining the relative values of the concerned businesses and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Merger.

The Proposed Merger envisages the merger of MAL into AIFL with equity shares of AIFL being issued to the shareholders of MAL. This requires the relative valuation of equity shares of AIFL and MAL for determination of a fair equity share exchange ratio for the Proposed Merger.

Hence we have carried out a relative valuation of the shares of MAL and AIFL in order to determine the fair share exchange ratio for the Proposed Merger.

There are several commonly used and accepted methods for determining the fair equity share exchange ratio for the Proposed Merger, which have been considered in the present case, to the extent relevant and applicable, including:

- Net Asset Value method
- Market Price method
- Discounted Cash Flows method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bonafide manner based on our previous experience of assignments of a similar nature.

Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or

invest in the business as a going concern. This valuation approach is therefore mainly used in case where the firm is to be liquidated or in case where the assets base dominates earnings capability.

A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

We have computed the NAV of equity shares of the Companies. We have considered the balance sheets of MAL and AIFL as on September 30, 2015 and made suitable adjustments for, inter alia surplus/non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis. The total value for equity shareholders is then divided by the current number of equity shares of the respective companies in order to work out the value per equity share of the Companies.

Discounted Cash Flow (DCF) method:

The DCF method uses future cash flows of the firm discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted tool, as it concentrates on cash generation potential of a business. Considering that this method is based on future potential and is widely accepted, we have used this approach in the valuation in the present exercise.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:
Free cash flows are the cash flows to be generated by the company that are available to all providers of the company's capital - both debt and equity.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value available to the equity shareholders of MAL and AIFL, the values arrived above under DCF method for MAL and AIFL are adjusted for, inter-alia, the value of loans, cash, and surplus / non-operating assets/liabilities as deemed appropriate for the purpose of our valuation analysis. The total value for equity shareholders is then divided by the fully diluted equity shares of the respective companies in order to work out the value per equity share of MAL and AIFL.

Market Approach (Market Price Method)

Under the "Market" Approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be built in the value of the shares. The market value generally reflects the investors' perception about the true worth of the company.

But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of MAL are listed on NSE SME platform "Emerge" and equity shares of AIFL are listed on the BSE Ltd. &NSE and there are regular transactions on their respective stock exchanges for the equity shares. Accordingly, in the present case, the volume weighted average share price over reasonable periods for the shares of the respective Companies, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the value of the shares of the Companies under the market price methodology.

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The fair basis for the Proposed Merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a swap ratio, it is necessary to arrive at a single value for the shares of the concerned companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the shares of the companies but at their relative values to facilitate the determination of the swap ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology. We have given weights to the values arrived at under different methodologies based on our evaluation and judgment of the businesses of the Companies, in order to arrive at the relative values of the shares of the Companies.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by us and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The fair share exchange ratio of equity shares of MAL and AIFL have been arrived at on the basis of a relative valuation of MAL and AIFL based on the various methodologies explained hereinearlier.

and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair share exchange ratio for the Proposed Merger is as follows:

10 (Ten) equity shares of AIFL of INR 10/- each fully paid up for every 27 (Twenty seven) equity shares of MAL of INR 10/- each fully paid up.

Yours faithfully,

For MZSK & Associates, Chartered Accountants
Firm Registration No: 105047W

Rajesh Thakkar
Partner
Membership No 103085

PANTOMATH
Capital Advisors (P) Ltd.

Date: March 31, 2016

The Board of Directors
Ashapura Intimates Fashion Limited
Unit no 3/4, Pacific Plaza
Plot no 570, Masjid Gali
Off Bhavani Shankar Road
Dadar (W), Mumbai – 400 028

The Board of Directors
Momai Apparels Limited
Shop No. 305-309, 3rd Floor
Pacific Plaza Plot No.570, TPS IV
Off Bhawani Shankar Road
Mahim Division, Dadar – West
Mumbai – 400 028

Dear Sirs,

Re: Fairness opinion on Fair Equity Share Exchange Ratio Report issued by M/s. MZSK & Associates, Chartered Accountants, a member firm of BDO International, for the proposed Amalgamation of Momai Apparels Limited with Ashapura Intimates Fashion Limited

BACKGROUND

Pantomath Capital Advisors Private Limited ("Pantomath" or "we" or "us") is a Category I Merchant Banker registered with The Securities Exchange Board of India ("SEBI"). Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 we have been requested to issue a fairness opinion on Fair Equity Share Exchange Ratio Report issued by M/s. MZSK & Associates, Chartered Accountants, a member firm of BDO International for the proposed Amalgamation of Momai Apparels Limited **("MAL" or "Transferor Company")** with Ashapura Intimates Fashion Limited **("AIFL" or "Transferee Company")**

Pantomath Capital Advisors (P) Ltd.

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AIFL is a public company incorporated under the Companies Act, 1956 having its registered office at Unit no 3/4, Pacific Plaza, Plot no 570, Masjid Gali, Off Bhavani Shankar Road, Dadar (W), Mumbai – 400 028. AIFL is a fashion house that designs, brands, markets and retails intimate garments for men, women and children. Its products include lounge wear, sleep wear, bridal night wear, honeymoon sets, bathrobes, women inner wear, sportswear and kids lounge wear which are sold under the brand name 'Valentine'. The equity shares of AIFL are listed on BSE Ltd **("BSE")** and National Stock Exchange of India Limited **("NSE")**.

MAL is a public company incorporated under the Companies Act, 1956 having its registered office at Shop No. 305-309, 3rd Floor, Pacific Plaza Plot No.570, TPS IV, Off Bhawani Shankar Road, Mahim Division, Dadar - West, Mumbai – 400 028. MAL is engaged in the business of manufacturing non-branded intimate garments such as loungewear, bridal night wear, honeymoon sets, bathrobes, night wear, sportswear and women's innerwear. The equity shares of MAL are listed on NSE Emerge Platform.

The management is considering Amalgamation of MAL with the AIFL, with effect from the Appointed Date i.e. April 1, 2016 for the rationale as provided in the Scheme of Amalgamation.

SOURCES OF INFORMATION

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- Valuation Report issued by M/s. MZSK & Associates, Chartered Accountants, a member firm of BDO International, dated March 30, 2016;
- Draft Scheme of Amalgamation of MAL with AIFL under section 391 to 394 of the Companies Act, 1956;
- Audited financial statements of MAL for the year ended March 31, 2015:
- Audited financial statements of AIFL for the year ended March 31, 2015;
- Financial statements of AIFL submitted to BSE and NSE for the periods up to December 31, 2015;
- Financial statements of MAL submitted to NSE for the periods up to September 30, 2015;
- Estimated financial statements of AIFL for the financial year ended March 31, 2016;
- Estimated financial statements of MAL for the financial year ended March 31, 2016;

Pantomath Capital Advisors (P) Ltd.

TS

- Projected profitability statement, balance sheet and cash flow of AIFL for the financial year ending on March 31, 2017 to March 31, 2021;
- Projected profitability statement, balance sheet and cash flow of MAL for the financial year ending on March 31, 2017 to March 31, 2021;
- Latest shareholding patterns of AIFL and MAL (Pre and Post Amalgamation);
- Memorandum of Association and Articles of Association of AIFL and MAL;
- Income-Tax Return of AIFL and MAL for the assessment year 2015-16;
- Other relevant information and documents for the purpose of this engagement.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

AIFL and MAL have been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.

RATIONALE AND CONCLUSION

In the circumstances, having regard to the relevant factors and on the basis of information and explanations given to us, in our view, the proposed Equity Share Exchange Ratio as recommended by M/s. MZSK & Associates, Chartered Accountants, a member firm of BDO International which forms the basis for the proposed amalgamation, appears to be fair and reasonable.

EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by AIFL and MAL for the purpose of this opinion without carrying out any audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of AIFL and MAL.

We have solely relied upon the information provided to us by AIFL and MAL. We have not reviewed any books or records of AIFL and MAL.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of AIFL and MAL and neither express any opinion with respect thereto nor accept any responsibility therefor.

We have not made any independent valuation or appraisal of the assets or liabilities of AIFL and MAL. In particular we do not express any opinion as to the value of assets of AIFL and MAL, whether at current market prices or in future.

We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by AIFL and MAL for the purpose of this opinion.

We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of AIFL and MAL with respect to these matters. In addition, we have assumed that the Draft Scheme of Amalgamation will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Amalgamation.

We understand that the managements of AIFL and MAL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.

We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Amalgamation, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that AIFL and MAL may have contemplated.

Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving AIFL and MAL or any of its assets, nor did we negotiate with any other party in this regard.

It is understood that this letter is solely for the benefit of confidential use by the Board of Directors of AIFL and MAL for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular

No. CIR/CID/CMD/16/2015 dated November 30, 2015 issued by SEBI and it shall not be valid for any other purpose. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose, we will not be liable for any consequences thereof.

The fee for our service is not contingent upon the results of the proposed Amalgamation. This opinion is subject to the laws of India.

Valuation, as it is said, is an art as well as a science. It is very subjective and based on individual perception. Large number of valuation models and its countless variants are in vogue, each of which has its own strength and weakness. Such practices lead to varying values arrived at by experts which, at times, may differ by larger margin. We express no opinion whatever and make no recommendation at all as to AIFL's and MAL's underlying decision to effect to the proposed Amalgamation or as to how the holders of equity shares or secured or unsecured creditors of AIFL and MAL should vote at their respective meetings held in connection with the proposed Amalgamation. We do not express and should not be deemed to have expressed any views on any other terms of the proposed Amalgamation. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of AIFL and MAL will trade following the announcement of the proposed Amalgamation or as to the financial performance of AIFL and MAL following the completion of the proposed Amalgamation.

In no circumstances however, will Pantomath or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Pantomath or its associates, directors or employees by any third party, AIFL and MAL and their affiliates shall indemnify them.

For Pantomath Capital Advisors Private Limited

Pantomath Capital Advisors

Madhu Lunawat
Executive Director

VALENTINE

Date: May 5, 2016

The General Manager
Department of Corporate Services
BSE Limited
P. J. Towers, Dalal Street
Mumbai – 400 001
Scrip Code: 535467

The General Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra East
Mumbai - 400 051
Scrip Name: AIFL

Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Amalgamation of Momai Apparels Limited with Ashapura Intimates Fashion Limited.

Dear Sir/Madam

With reference to the captioned subject, we would like to inform you that we have filed the draft scheme and other documents with BSE and NSE on April 11, 2016. Further we are submitting Complaint Report as per Annexure III of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 which needs to be submitted with the Stock Exchanges.

Request you to take the same on records.

Thanking you.

Yours faithfully,

For Ashapura Intimates Fashion Limited

ASHAPURA INTIMATES FASHION LIMITED
THANE 421329 MUMBAI 400028.

Harshad Thakkar
Chairman & Managing Director

ANNEXURE III

Complaints Report:

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NA			

For Ashapura Intimates Fashion Limited

Harshad Thakkar
Chairman & Managing Director

ASHAPURA INTIMATES FASHION LIMITED
THANE 421329
MUMBAI 400028

DCS/AMAL/KS/24(f)/453/16-17
July 12, 2016

The Company Secretary
Ashapura Intimates Fashion Ltd.
Unit No. 3-4, Plot No. 570, TPS IV,
Pacific Plaza, Ground Floor, Off Bhawani Shankar Road,
Mahim Division, Dadar (west), Mumbai, 400028

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation of M/s Ashapura Intimates Fashion Ltd. and M/s Momai Apparels Ltd.

We are in receipt of Draft Scheme of Amalgamation of M/s Ashapura Intimates Fashion Ltd. with M/s Momai Apparels Ltd. as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated July 8, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company to ensure compliance with the undertaking submitted vide letter dated July 04, 2016 with regard to continuation of Lock in of Equity shares. Further the draft Scheme shall be accordingly amended."
- "Company shall duly comply with various provisions of the Circulars."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T : +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/79868

July 13, 2016

The Company Secretary
Ashapura Intimates Fashion Limited
Unit No.3-4, Pacific Plaza,
Plot No.570, Masjid Galli,
Off. Bhavani Shankar Road, Dadar (W),
Mumbai 400028

Kind Attn.: Ms. Manisha Pareek

Dear Madam,

Sub: Observation letter for draft Scheme of Amalgamation of M/s. Ashapura Intimates Fashion Limited and M/s. Momai Apparels Limited

This has reference to draft Scheme of Amalgamation of M/s. Ashapura Intimates Fashion Limited and M/s. Momai Apparels Limited submitted to NSE vide your letter dated April 07, 2016.

Based on our letter reference no Ref: NSE/LIST/76567 submitted to SEBI and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 SEBI has vide letter dated July 08, 2016, has given following comments on the draft Scheme of Arrangement:

1. *"The Company shall ensure compliance as per undertaking submitted vide letter dated July 04, 2016 by Ashapura Intimates Fashion Limited, with regard to continuation of lock-in of equity shares. Further, the draft scheme shall be accordingly amended.*

2. *The Company shall duly comply with various provisions of the Circulars."*

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 13, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

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ASHAPURA INTIMATES FASHION LIMITED

Regd Off.:Unit no.3/4, Pacific Plaza, Plot no.570, TPS IV, Off Bhavani Shankar Road, Mahim Division, Dadar (W), Mumbai- 400 028 Tel No.:022 24331552/53; Fax No.:022 24331506
CIN: L17299MH2006PLC163133 Website: www.ashapurafashion.com E-mail.: cs@ashapuraintimates.com

POSTAL BALLOT FORM

(Please read the instructions printed carefully before completing this form)

Postal Ballot No.		
1	Name & Registered address of Sole/First named Shareholder **(In BLOCK LETTERS)**	
2	Name(s) of the joint Shareholder(s), if any, **(In BLOCK LETTERS)**	
3	Registered Folio No.* /DP ID & Client ID	
4	No. of Equity Shares held	

(*Applicable to members holding shares in dematerialized form)

I/We hereby exercise my/our vote in respect of the Resolution to be passed through Postal Ballot for the Special business stated in the Postal Ballot Notice of "Ashapura Intimates Fashion Limited" ("**the Company**")dated January 27, 2017 by conveying my/our assent/dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below:

Description	**No. of votes exercised corresponding to the total number of voting rights**	**Nature of Voting**	**Please tick (✓) in the appropriate box**
To consider, and if thought fit, approve, with or without modification(s), the Scheme of Amalgamation of Momai Apparels Limited with Ashapura Intimates Fashion Limited and their Respective Shareholders and Creditors (the "Scheme")		I/We assent to the Resolution **(FOR)**	
		I/We dissent to the Resolution **(AGAINST)**	

If the voting rights are exercised electronically, there is no need to use this Form.

Place:

Date: Signature of the Member/ Authorised Representative)

ELECTRONIC VOTING PARTICULARS

EVSN(Electronic Voting Sequence Number)	User ID	Your PAN/Sequence No.
170126001		

INSTRUCTIONS FOR VOTING IN PHYSICAL FORM

Please read carefully the instruction overleaf before completing this Ballot Form

Member(s) can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Member(s) cast their vote both by Physical Ballot and e-voting, then voting done through e voting shall prevail and voting done by Postal Ballot will be treated as invalid.

PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL VOTING

1. A Member desiring to exercise his/her/its vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the scrutinizer, Mr.Jaiprakash Singh of M/s Jaiprakash R. Singh & Associate, Practicing Company Secretary (Membership No. F7391) ("**Scrutinizer**") at 114, Birya House, 1st Floor., Apna Bazar Gate, Perin Nariman Street, Fort, Mumbai-400001, in the attached self-addressed business reply envelope, on or before close of working hours (5.00 P.M) on February 27, 2017. The postage will be borne and paid by the Company. However, envelopes containing postal ballot form(s), if sent by courier or registered/speed post at the expense of the Member will also be accepted.
2. The self-addressed Business Reply Envelope is addressed to the Scrutinizer appointed by the Board of the Company.
3. This Postal Ballot form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his/her absence by the next named Member. In case postal ballot form is signed through a Delegate, a copy of Power of Attorney attested by the Member shall be annexed to the Ballot.
4. The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick (V) mark in the appropriate column.
5. Duly completed postal ballot form should reach the Scrutinizer, not later than 5.00 P.M. on February 27, 2017. All postal ballot forms received after this date will be strictly treated as if reply from such Member has not been received.
6. There will be only one postal ballot form for every folio irrespective of the number of joint Member (s).
7. In case of shares held by Companies, trusts, societies etc., the duly completed postal ballot form should be accompanied by a certified true copy of the Board Resolution/authority letter.
8. A Member may request for duplicate postal ballot form, if so required. However, the duly completed duplicate postal ballot form should reach the Scrutinizer not later than the last date of receipt of postal ballot form i.e. 5.00 P.M. on February 27, 2017.
9. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Members as on January 20, 2017.
10. Members are requested not to send any other paper along with the postal ballot form in the enclosed self -addressed Business Reply Envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. A Member need not use all the votes nor needs to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
13. Incomplete, unsigned or incorrect postal ballot forms will be rejected.

    The result of the postal ballot will also be posted on the website of the Company www.ashapurafashion.com

    The Company is pleased to offer e-voting facility as an alternative, for all the Members of the Company to enable them to cast their votes electronically instead of dispatching postal ballot form. E-voting is optional.

    The Postal Ballot Form should be completed and signed by the Member (as per specimen signature registered with theCompany/ RTA). In case of joint holding, this Form must be completed and signed by the first named member and in his/her absence, by the next named member.

    Voting through Postal Ballot cannot be exercised by proxies.

    A member, including the member who has opted to receive the documents electronically may seek duplicate Postal Ballot Form from the Registrars of the Company, M/s Link Intime India Pvt Ltd.

    The result of the Postal Ballot shall be announced on February 28, 2016 at the registered office of the Company at Unit no 3/4, Pacific Plaza, Plot no 570 TPS IV, Off Bhavani Shankar Road Mahim Division, Dadar (W), Mumbai – 400 028 and the same will also be posted on website of the Company.