

March 31, 2016

The Manager Department of Corporate Services BSE Limited Phiroze Jeejeeboy 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
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Dear Sir/Madam,

**Subject: Scheme of Amalgamation of Momai Apparels Limited ("MAL" or "Transferor Company") with Ashapura Intimates Fashion Limited ("AIFL" or "Transferee Company")**

We wish to inform you that based on the recommendation of the Audit Committee, the Board of Directors of AIFL at their meeting held today have inter-alia, considered and approved the Scheme of Amalgamation of Momai Apparels Limited with Ashapura Intimates Fashion Limited ("**Scheme of Amalgamation**").


The above proposal is subject to satisfaction of various conditions, including obtaining necessary approvals from the shareholders, creditors and regulatory authorities including Securities and Exchange Board of India (SEBI), Stock Exchanges and sanction of scheme by concerned High Courts and / or any other appropriate authority as may be necessary.

The final Scheme of Amalgamation as approved at the Board meeting held today shall be filed with the stock exchanges in compliance with the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We enclose the prescribed information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular no CIR/CFD/CMD/4/2015 September 9, 2015.

Please inform your members accordingly.

Yours Faithfully,  
For **Ashapura Intimates Fashion Limited**

  
**Harshad Thakkar**  
Chairman and Managing Director



**Ashapura Intimates Fashion Ltd.**

Reg Off: Unit No. 2/3/4, Pacific Plaza, Masjid Gali, Near Tilak Bhavan, Dadar (West), Mumbai: 28.  
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Disclosure of events and information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no CIR/CFD/CMD/4/2015 September 9, 2015

- a) Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc;

Name of entities	Networth ( 2014-15) (Audited) Rs. In Lakhs	Total Revenue (2014-15) (Audited) Rs. In Lakhs
Ashapura Intimates Fashion Limited	4,920.02	1,7,918.75
Momai Apparels Limited	6,141.79	1,23,10.03

- b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"?

The Transferor Company involved in the Amalgamation is a subsidiary of the Transferee Company and hence it is related party of the Transferee Company. The consideration payable under the scheme is as per the recommendation of an independent valuer i.e. MZSK & Associates, Chartered Accountants, a member firm of BDO International. A fairness opinion from Pantomath Capital Advisors Pvt Ltd, a SEBI Registered Category – I Merchant Banker has also been obtained. In this connection, it will be pertinent to also mention that the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated 17<sup>th</sup> July, 2014 has clarified that transactions arising, inter alia, out of amalgamation will not attract the requirement of related party transactions under Section 188 of Companies Act, 2013.

- c) Area of business of the entity(ies)

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'.

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.

- d) Rationale for amalgamation/ merger

The proposed merger of the Transferor Company with the Transferee Company would result in

- backward integration of business activities, thereby consolidation of business operations;
- greater integration and greater financial strength and flexibility for the amalgamated entity;
- improved competitive position of the combined entity in the market;



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- iv. 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;
- v. 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;
- vi. 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
- vii. Reduce regulatory compliance and multi-layer taxation of inter-se transaction;
- viii. 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.

**e) In case of cash consideration – amount or otherwise share exchange ratio**

The Transferee Company will issue 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.

**f) Brief details of change in shareholding pattern (if any) of listed entity.**

Category	AIFL		MAL	
	Existing	Post-Merger	Existing	Post-Merger
Promoter	67.74%	57.64%	21.63%	NA
Public	32.26%	42.36%	78.37%	NA
Total	100.00%	100.00%	100.00%	NA

Note: Based on Shareholding Pattern of respective companies as on December 31, 2015.

