

Munoth Capital Market Ltd.

Regd. Office : Shanti Nivas – Office Building, Opp. Shapath V, Nr. Karnavati Club, S.G Road
Ahmedabad – 58 Board line: +91-79-26937954 Email: munoth@gmail.com Website : www.munoth.com

Date : 25th October, 2017

To
The Secretary,
The Bombay Stock Exchange Ltd.
P.J. Towers, Dalal Street,
Mumbai-400 001.
Security Code: 511200
Security Id : MUNCAPM

Dear Sirs,

Sub: Intimation of Scheme of Merger pursuant to Regulation 30 and 37 of Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulation, 2015 ("SEBI LODR") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 and Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 respectively.

The Board of Directors of Munoth Capital Market Limited ("the Company") at its meeting held on 25th October, 2017, upon the recommendation of Audit Committee, considered and approved the scheme of merger of Munoth Retail Private Limited ("Transferor Company"), a wholly owned subsidiary of the Company with the Company under section 230/233 of the Companies Act, 2013.

The scheme is subject to necessary statutory and regulatory approvals including the approvals of Central Government or National Company Law Tribunal, the respective shareholders and creditors, if any, of each of the company involved in the scheme.

As the Transferor Company is a wholly owned Subsidiary of the Company, hence the Company is neither required to comply with the requirements laid under Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 nor required observation letter or no objection letter from the stock exchange before filing the scheme with any concern authority.

Siddharth


CIN: L99999GJ1986PLC083614

The information pursuant to regulation 30 of LODR regulation read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is enclosed as Annexure-A.

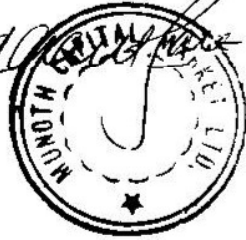
We request you to take the same on the record.

Thanking You

Yours Faithfully

FOR MUNOTH CAPITAL MARKET LIMITED

Siddharth Jain
SIDDHARTH JAIN
DIRECTOR & CEO
(DIN : 00370650)



Annexure-A

Disclosure of Information pursuant to regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure requirements) Regulation, 2015 ("SEBI LODR") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015.

1. Name of the entity(ies) forming part of the merger, details in brief such as, size, turnover etc.:

Transferor Company: Munoth Retail Private Limited, (CIN : US2100GJ2012PTC070467) a private Company, limited by shares incorporated on 25th May, 2012 under the Companies Act, 1956, having its registered office at 101 - 102, Gala Argos, B/h. Harikrupa Tower, Kalgi, Char Rasta, Gujarat College Cross Road, Ellisbridge, Ahmedabad – 380006. It was acquired by the transferee Company and became a wholly owned subsidiary of the transferee Company on 31st January, 2013. The transferor Company is engaged in the business of retailer of readymade garments, its accessories and other ancillary products in India and outside India.

Transferee Company: Munoth Capital Market Limited, (CIN : L99999GJ1986PLC083614) a public listed Company, limited by shares incorporated on 4th September, 1986 under the Companies Act, 1956 having Its Registered Office at Shanti Nivas, Opp. Shapath - V, Nr. Karnavati Club, S.G.Road, Ahmedabad-380058. The equity shares of the transferee Company are listed on the BSE Limited with scrip Code 511200. The main object of the transferee Company is to acquire, underwrite, hold and sell shares, stocks, debenture, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted and carrying on business in India and elsewhere.

(Amount in `)

Particulars	Net Worth		Turn Over	
	31.03.2017	31.03. 2016	31.03.2017	31.03. 2016
Transferee Company	8,04,27,931	8,01,92,711	27,47,256	40,54,581
Transferor Company	(3,10,21,944)	(3,09,22,456)	-	-



2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length":

The Transferor Company is wholly owned Subsidiary of the Transferee Company. The proposed merger does not fall within the purview of related party transaction in terms of General Circular No. 30/2014 dated 17th July, 2014 issued by the Ministry of Corporate Affairs and since the same subject to the sanction of the Central Government. Further, pursuant to Regulations 23(5)(b) of the LODR Regulations, the related party provisions are not applicable to the proposed Scheme.

3. Areas of business of the entity(ies): As mention under point No. 1

4. Rationale for amalgamation/ merger:

- A consolidation of the Transferor Company with Transferee Company by way of Merger would thereby lead to a more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity.
- The scheme is commercially and economically viable and feasible and is in fact fair and reasonable.
- The proposed scheme will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optional utilization of various resources. It will prevent cost duplication and the resultant operations would ne substantially cost-efficient. The synergies created in terms of compliance, governance, administration and cost by the merger would increase operational efficiency and integrate business functions.
- Since, two of the key Managerial Personnel of the Transferee Company are the Directors of the Transferor Company, the proposed merger will reduce managerial overlaps, which are necessarily involved in running two entities.
- Greater efficiency in cash management of the merged entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiency and which would result improved performance of the Transferee Company and would enhance shareholders' value.



5. In case of cash consideration – amount or otherwise share exchange ratio:

As the Transferor Company is a wholly-owned Subsidiary of the Transferee Company, the entire Share Capital of the Transferor Company is held by the Transferee Company. Therefore, upon the scheme become effective, all shares held by the Transferee Company in the share Capital of the Transferor Company as on effective date shall stand cancelled, without any further act or deed. In lieu thereof, no allotment of any new shares or any payment will be made by the Company to the shareholders of the Transferor Company.

6. Brief details of change in shareholding pattern (if any) of listed entity:

There will be no change in shareholding pattern of the Company pursuant to the proposed Scheme as no shares are being issued by the Company in consideration of the proposed Scheme.

