

N.K. Industries Ltd

Date: 10.05.2017

**To,
Sailee Pawaskar
Assistant Manager
Listing Compliance
National Stock Exchange of India Limited (NSE)**

Sub: Clarification sought on amalgamation by the Company

Ref: Mail Dated 8th and 9th May, 2017

Dear Sir/Madam,

We would like to inform you that the **N K Industries Limited** (hereinafter referred to as "Transferee Company") had placed the proposal for merger and draft Scheme thereof with its wholly owned subsidiary companies viz. **N K Oil Mills Private Limited** (hereinafter referred to as "Transferor Company") and **Banpal Oilchem Private Limited** (hereinafter referred to as "Transferor Company") which is proposed under Section 233 r.w. Rule 25 of the Companies Act, 2013.

The Board of Directors has approved the Draft Scheme of Amalgamation on Monday, 8th May, 2017. This draft scheme will now be submitted to the Registrar of Companies (Gujarat) and the Official Liquidator (Gujarat) in the prescribed format for their objections/suggestions in accordance with the provisions of Section 233 of the Companies Act, 2013.

The revised draft scheme will then be placed before the members and the creditors of the Company for their approval at the meeting with sufficient prior notice with the copy of the draft scheme.



Regd. Office : 7th Floor,
Popular House, Ashram Road,
Ahmedabad - 380 009.
India.

Phone : 91-79-66309999
Fax : 91-79-26589214
E-mail : nkil@nkproteins.com

Plant : 745, Kadi-Thor Road,
Kadi - 382 715. Dist. Mehsana (N.G.)
Tele : (02764) 242613, 263884
Fax : (02764) 263667
Email : nkilkadi@yahoo.co.in

CIN No. : L91110GJ1987PLC009905

Point wise reply to the queries/observations raised by you is appended hereunder:

Sr. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc	1. N K Oil Mills Private Limited 2. Banpal Oilchem Private Limited
2.	Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	As both the Companies are 100% subsidiary companies of N K Industries Limited, it attracts the provisions of Section 188 of the Companies Act, 2013.
3.	Industry to which the entity being acquired belongs	N K Oil Mills Private Limited is engaged in business of manufacturing, refining, importing, exporting, buying, selling and processing of and dealing in all kind of oil seeds, oil and particularly cotton seeds oil, cotton seed oil cake, groundnut oil and groundnut oilcake. Further it also carries out the transportation business. Banpal Oilchem Private Limited is engaged in the business of manufacturers, processors, cultivators, importers, exporters, dealers, sellers, buyers, consignors, consignees, agents, stockiest, suppliers of castor seeds and castor oil in any grade or form, non-edible oil seeds and oils, edible oil seeds and oils, all derivatives, intermediates and chemicals oil cakes oiled or de-oiled, pharmaceutical, drug and medicinal chemicals, pesticides, fertilizers, manures, and all kinds of articles in the manufacture of which any form of above oil seeds or oils or its Intermediates or derivatives is used.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	a) The Transferor Company and the Transferee Company are mostly engaged in the similar business activity of manufacturing, buying, selling, importing, exporting and dealing in oil, oil grains, oil cakes and allied products. Further the



		Transferor Company is a 100% subsidiary company (i.e. wholly owned subsidiary) of the Transferee Company. The Transferee Company and the Transferor Company intend to reorganize, consolidate and integrate Transferor Company's operations with the activities of the Transferee Company as a part of group restructuring and hence it is proposed that the Transferor Company be amalgamated with the Transferee Company under this Scheme (as defined herein). b) Consequently, the said scheme of amalgamation will effect in cost saving for both the Transferor and the Transferee Company, as they are engaged in the similar activities and which would also lower the fixed as well as the variable cost for the Companies. c) Further, the Transferee Company will have the benefit of the combined resources of the Transferor Company i.e. reserves, investments and other assets and finances. Thus, the amalgamated entity would be in a position to carry on consolidated operations through optimum utilization of its resources and avoidance of duplication.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	1. The Transferor and Transferee Company shall follow the procedures prescribed under the relevant act in connection with the amalgamation. Further, both the Transferor and the Transferee Company shall make all applications or writings as would be required under Section 233 of the Companies Act, 2013 and other applicable provisions of the Act, for sanctioning of this Scheme and making it effective and obtain all approvals as may be required under law. 2. Draft Scheme would be submitted to the Registrar of Companies (Gujarat) and the



		Official Liquidator (Gujarat) in the prescribed format
6.	Indicative time period for completion of the acquisition	The Board has decided to convene the meeting of members and the creditors of the Company to approve the scheme of amalgamation on 22nd July and 25th July, respectively as submitted to the exchange vide outcome of the Board Meeting. After approval of the scheme the same will be submitted to the Central Government for its final approval.
7.	Cost of acquisition or the price at which the shares are acquired	As both the Transferor Companies are wholly owned subsidiary companies there will be no change in the capital structure of the Transferee Company except the Authorised Capital. No shares will be issued.
8.	Nature of consideration - whether cash consideration or share swap and details of the same	The Amalgamation will be without any consideration.
9.	Percentage of shareholding / control acquired and / or number of shares acquired	N.A
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).	Annexure-I
11.	Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc	Annexure-I
12.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Same as provided at point no.2.
13.	Area of business of the entity (ies)	Same as provided at point no.3.
14.	Rationale for amalgamation/ merger	Same as provided at point no.4

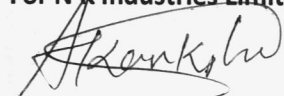


15.	In case of cash consideration amount or otherwise share entitlement/exchange ratio	N.A
16.	Brief details of change in shareholding pattern (if any) of listed entity	There is no change in the shareholding pattern.

Thanking You,

Yours faithfully,

For N K Industries Limited



Company Secretary
(Akanksha Srivastava)



Annexure – I

Transferor Company No. 1:

N K Oil Mills Private Limited

Sr. No.	Particulars	Details
1	Name of the Company	N K Oil Mills Private Limited
2	CIN	U15201GJ1994PTC022669
3.	Date of Incorporation	03.08.1994
4.	Authorised Capital	30,00,00,000
5.	Paid Up Capital	6,00,99,000
6.	Turnover of last three years	1. 2016-17: 17, 20, 48, 288 (in Rs.) 2. 2015-16: 15,77,53,436 (in Rs.) 3. 2014-15: 5, 61, 680 (in Rs.)

Transferor Company No. 1 :

Banpal Oilchem Private Limited

Sr. No.	Particulars	Details
1	Name of the Company	Banpal Oilchem Private Limited
2	CIN	U15201GJ1996PTC030702
3.	Date of Incorporation	13/09/1996
4.	Authorised Capital	25000000
5.	Paid Up Capital	20270000
6.	Turnover of last three years	1. 2015-16: 2,02,70,000 (in Rs.) 2. 2014-15: 23,30,762 (in Rs.) 3. 2013-14: 11,34,942.00 (in Rs.)

