



INDUSTRIAL ENTERPRISES LTD.

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NIEL: SCY: 2021:
20th March, 2021

BSE Limited
Floor 25, P J Towers,
Dalal Street, Fort,
MUMBAI – 400 001
Scrip Code: 519136

National Stock Exchange of India Limited
Exchange Plaza,
Bandra - Kurla Complex, Bandra (East),
MUMBAI – 400 051
Securities Symbol – NAHARINDUS

Sub: Disclosure under Regulation 30 of SEBI (LODR), Regulations, 2015

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), we wish to inform you that the Board of Directors of the company at its meeting held on 20.03.2021 considered and approved the Scheme of Arrangement for Amalgamation under Section 230-232 and other applicable provisions of the Companies Act, 2013 between Cotton County Retail Limited (Transferor Company) and Nahar Industrial Enterprises Limited (Transferee Company) and their respective shareholders and creditors.

The Scheme is subject to the approval of the shareholders and creditors of both Transferor and Transferee Companies, and other statutory and regulatory approvals under applicable laws, including the approval from National Company Law Tribunal, Chandigarh Bench (NCLT) and approvals from the BSE Limited, National Stock Exchange of India Limited and the SEBI in accordance with the Listing Regulations and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time.

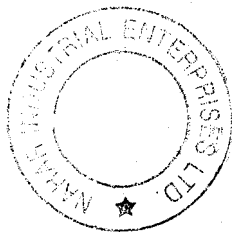
Brief details of the Scheme as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as **Annexure-A**.

The Board meeting commenced at 3.30 P.M. and concluded at 5:00 P.M.
Please take note of the same on your records.

Thanking you,
Yours faithfully,
For NAHAR INDUSTRIAL ENTERPRISES LIMITED


MUKESH SOOD
(Company Secretary)

Encl: as above



Disclosure under Regulation 30 of the Listing Regulations read with the SEBI Circular, in relation to the Scheme.

Sr. Particulars

No.

1. Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover etc.

Name of the Transferor Company:

COTTON COUNTY RETAIL LIMITED - The Corporate Identification Number (CIN) of the Transferor company is U51311PB2001PLC024753. The Transferor company is an unlisted public Company and an Associate Company of the Transferee company.

Name of the Transferee Company:

NAHAR INDUSTRIAL ENTERPRISES LIMITED - The Corporate Identification Number (CIN) of the Transferee Company is L15143PB1983PLC018321. The Transferee Company is a Listed Company and equity shares of the company are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

Turnover (Income from Operations):

The total turnover (income from Operations), for financial year 2019-20, of the Transferor Company and the Transferee Company is:

Sr. No.	Name of the Company	Turnover (Income from operations) (Rs. In lacs)
1.	Cotton County Retail Limited (Transferor Company)	731.92
2.	Nahar Industrial Enterprises Limited (Transferee Company)	
	Standalone:	157272.70
	Consolidated:	157272.70

Net Worth, for financial year 2019-20, of the Transferor Companies & the Transferee Company is:

Sr. No.	Name of the Company	Net Worth (Rs. In lacs)
1.	Cotton County Retail Limited (Transferor Company)	8186.75
2.	Nahar Industrial Enterprises Limited (Transferee Company)	73466.09

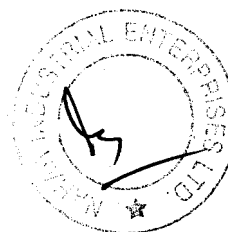
2. Whether it is a related party transaction? If yes, whether it is done at "arm's length".

Both Transferor and Transferee Company belong to same promoter Group. The Transferor Company is an Associate Company of the Transferee Company. The Scheme of Arrangement for amalgamation will be implemented on an arm's length basis.

3. Area of business of the entity/entities

The Transferee Company is vertically integrated textile company engaged in the manufacturing of cotton / blended / processed and dyed yarn; greige and processed fabrics and sugar & allied products.

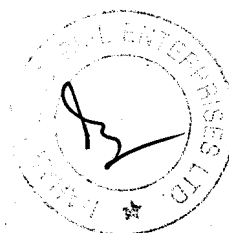
The Transferor Company was engaged in the business of manufacturing and retailing of readymade garments. Due to stiff competition and non-viability of operations, the Transferor



Company closed down its manufacturing and retailing of garments business in FY 2019-20. Presently the Transferor Company is holding investment in the Transferee Company.

4. Rationale for amalgamation/merger

1. Both Transferor and Transferee Company belong to same promoter Group. The Transferor Company was engaged in the business of manufacturing and retailing of readymade garments. The Transferor Company used to procure its major raw material i.e. fabrics from Transferee Company. The retailing business of the Transferor Company was doing well and the products of the company were widely accepted. The Transferor Company started incurring losses from FY ended 2012 due to stiff competition and non-viability of operations and slowly closed down its business of manufacturing and retailing of garments in FY 2019-20. The Transferee Company is holding 47.66% equity shareholding in the Transferor Company and the balance equity shares of Transferor Company are being held by Promoters of the Transferee Company. Since the business of manufacturing and retailing of garments of Transferor Company have been totally closed therefore, it has been thought proper to merge Transferor Company having surplus funds presently invested in the form of preference shares in Transferee Company. In this Scheme of amalgamation, the 47.66% of equity shareholding in the Transferor Company held by the Transferee Company would be cancelled without further application, act or deed. Upon the scheme becoming effective, the Transferee Company would issue equity shares to the equity shareholders of the Transferor Company in the manner stated in the scheme. This scheme would also enable the Transferee Company to finish its liabilities against the funds invested by Transferor Company in the form of preference shares. While conceiving this scheme it has also perused that there are no accumulated business losses of Transferor Company to be paid-off.
2. With proposed amalgamation the funds invested by Transferor Company would remain with Transferee Company, it would help the Transferee Company to face current and future challenges in a better way. The Transferee Company's holding of 47.66% in Transferor Company will be extinguished and in lieu of the funds invested by the Transferor Company only 52.34% will be acknowledged by the Transferee Company by issuing the fresh equity shares to that extent. The Net worth of Transferor Company as on 31.12.2020 is Rs.80.40 Crores as against the total face value of equity share capital of Rs. 21.46 Crores. Thus from all angle it is a win-win situation for the Transferee Company.
3. Simplified management structures belong to better administration and reduction in costs from more focused operational efforts, reduction in multiplicity of legal and regulatory compliances and rationalization of administrative expenses. By virtue of proposed amalgamation of Transferor Company in Transferee Company, the operation of both companies shall be brought under a single control.
4. The Board of Directors of Transferor Company and Transferee Company are of opinion that the proposed arrangement for amalgamation would be advantageous and beneficial to the shareholders and other stakeholders of both companies. The Scheme would not be prejudicial to the interest of Creditors (secured and unsecured) of any of the companies.



5. In case of cash consideration (amount) or otherwise share exchange ratio

The equity shares shall be allotted to the members of Transferor Company, as per the ratio determined by the valuation experts, registered as a valuer. As per the valuation report, member of the Transferor Company shall be allotted 2 (Two) Equity shares in Transferee Company of Rs. 10 each credited as fully paid-up for every 3 (Three) Equity shares of Rs. 10 each fully paid-up held by such member in Transferor Company.

6. Details of change in shareholding pattern (if any) of listed entity

The Shareholding pattern of the equity shares of the Transferee Company shall change to the extent of Equity Shares allotted by the Transferee Company to the shareholders of the Transferor Company.

