

GANGES SECURITIES LIMITED

CIN – L74120UP2015PLC069869

REGD. OFFICE - P.O. HARGAON, DIST SITAPUR (U.P.), PIN – 261 121

Phone No. (05862) 256220-221; Fax No.: (05862) 256 225

E-mail – gangessecurities@birlasugar.org; Website-www.birla-sugar.com

November 27, 2019

To,
The Secretary,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra- Kurla Complex,
Bandra (E),
Mumbai – 400 051
Symbol: **GANGESSECU**

Dear Sir/ Madam,

Sub: Response to clarification sought vide email dated November 15, 2019

Ref: Clarification sought vide email dated November 15, 2019

Dear Sir,

With reference to the above, seeking clarification on the outcome of Board Meeting held on November 06, 2019, we respond to the same *ad seriatim*:

Further, please note that the Scheme of Amalgamation and the Board Resolution approving the Scheme with the NSE vide intimation letter dated November 26, 2019. A copy of the intimation letter is attached herewith for your reference.

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

The Scheme provides for amalgamation of Uttar Pradesh Trading Company Limited ('UP Trading'), a wholly owned subsidiary of Ganges Securities Limited ('GSL'), with GSL.

Following are the key financials details of the two companies in INR lakhs as on 31st March, 2019:

Company	Net worth	Equity Share Capital	Preference Share Capital	Total Turnover
GSL	4842.21	1000.37	150.00	71.15
UP Trading	6203.14	1636.25	-	700.44

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

UP Trading is a wholly owned subsidiary of GSL and therefore, on merger, no shares can be issued since a company (i.e. GSL) cannot issue shares to itself.

3. Area of business of the entity (ies)

- a. GSL - The main object of the Company is to invest, deal etc. in securities and immovable properties.

Corporate Office: Birla Building (5th Floor), 9/1, R N Mukherjee Road, Kolkata – 700 001

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- b. UP Trading - In accordance with Certificate of Registration Number 05.00220 dated 20 February, 1998 issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, UP Trading is authorized to carry on business of Non-Banking Financial Company.

It is engaged in investment in shares, debentures, bonds, etc. of joint stock companies, units of different mutual funds schemes and intercorporate / other deposits with Indian companies and Nationalised Banks, etc.

4. Rationale for amalgamation/ merger

UP Trading is a wholly owned subsidiary of GSL, therefore the management, with the view to consolidate the group structure, intends to merge UP Trading with GSL. The proposed consolidation would also lead to a reduction in the number of multiple entities in the Group and simplification of the group structure, thereby benefiting the respective companies and their stakeholders on account of the following reasons:

- The amalgamation will result in reduction in overheads, administrative and other expenditure, and bring about operational rationalization, organizational efficiency, greater efficiency in fund management and optimal utilization of various resources.
- The amalgamation will consolidate the functional expertise of the companies involved thereby giving additional strength to the business activities of the Transferee Company.
- The proposed amalgamation will provide an opportunity to leverage combined assets and capital better, build a stronger sustainable business, improve the potential for further growth and expansion of the businesses of the two companies.

5. In case of cash consideration amount or otherwise share entitlement/exchange ratio

UP Trading is a wholly owned subsidiary of GSL and therefore, on merger, no shares can be issued as consideration since a company (i.e. GSL) cannot issue shares to itself.

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

There will be no change in the shareholding pattern of GSL pursuant to the Scheme of Amalgamation.

Hope the above response suffices your queries and should you need any further clarification in this regard, we shall be glad to provide you with the same.

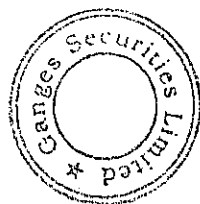
Thanking you

Yours faithfully,

For Ganges Securities Limited

Vijaya Agarwala

Vijaya Agarwala
Company Secretary
ACS 38658



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November 25, 2019

The Secretary,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051
Symbol: GANGESSECU

Dear Sir/ Madam,

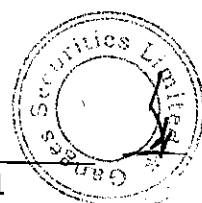
Sub: Disclosure under Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')

The Board of Directors of the Company at their meeting held on November 6, 2019 approved a Scheme of Amalgamation under Sections 230-232 of the Companies Act, 2013, including any statutory modification or re-enactments thereof for the time being in force, between Ganges Securities Limited ('GSL/ Transferee Company') and Uttar Pradesh Trading Company Limited ('UP Trading/ Transferor Company') and their respective shareholders and creditors ('the Scheme').

The Scheme is subject to necessary statutory and regulatory approvals, including the approval of the National Company Law Tribunal ('NCLT'), the respective shareholders and creditors, if any of the Companies involved in the Scheme.

As per Para 7 of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 read with SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March 2017 and CFD/DIL3/CIR/2018/2 dated 3rd January 2018 ('SEBI Circulars'), the provisions of Regulation 37 of LODR read with the SEBI Circulars is not applicable to the scheme of merger of a wholly owned subsidiary ('WoS') with the parent company. Since UP Trading is a WoS of GSL, therefore the said circular would not be applicable on the merger of UP Trading with GSL.

The brief detail of the Scheme are as follows:



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1. Brief Details of the Transferor & Transferee Company, including are of business:

- a. **Ganges Securities Limited:** GSL was incorporated on 30 March, 2015 as a public company under the Companies Act, 2013. The main object of the Company is to invest, deal, etc. in securities and immovable properties. The registered office of GSL is in Uttar Pradesh and the Company is listed on the National Stock Exchange of India Limited, BSE Limited and the Calcutta Stock Exchange Limited.
- b. **Uttar Pradesh Trading Company Limited:** UP Trading was incorporated on 23 February, 1951 as a public company under the Companies Act, 1956. In accordance with Certificate of Registration Number 05.00220 dated 20 February, 1998 issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, UP Trading is authorized to carry on business of Non-Banking Financial Institution. The registered office of UP Trading is in West Bengal and the Company is not listed.

2. UP Trading is a wholly owned subsidiary of GSL

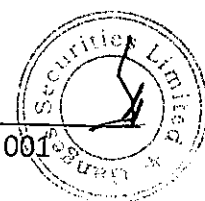
3. Rationale of the Scheme

The restructuring as explained above would achieve the following benefits:

- a. The amalgamation will result in reduction in overheads, administrative and other expenditure, and bring about operational rationalization, organizational efficiency, greater efficiency in fund management and optimal utilization of various resources.
- b. The amalgamation will consolidate the functional expertise of the companies involved thereby giving additional strength to the business activities of the Transferee Company.
- c. The proposed amalgamation will provide an opportunity to leverage combined assets and capital better, build a stronger sustainable business, improve the potential for further growth and expansion of the businesses of the two companies.

4. Nature of Consideration

The entire paid-up equity share capital of the UP Trading is held by GSL. Therefore, upon this Scheme being effective, the entire issued, subscribed and paid-up share capital of UP Trading shall, ipso facto, without any further application, act or deed stand cancelled on the Effective Date and since GSL is not permitted to issue shares to itself under the provisions of the Act, no shares of GSL will be issued or allotted with respect to the Equity shares held by GSL in UP Trading in consideration for the amalgamation.



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5. Details of Change in Shareholding Pattern

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

Proposed Scheme of Amalgamation and the Board Resolutions of GSL and UP Trading approving the Scheme are being enclosed herewith.

We request you to take the above on record.

Thanking you,

For **Ganges Securities Limited**



Santosh Kumar Poddar
Managing Director
DIN: 00055786

