

Ref: NSE/LIST/60448

February 8, 2016

The Company Secretary  
Upper Ganges Sugar & Industries Limited  
5th Floor, Birla Building  
9/1, R N Mukherjee Road  
Kolkata – 700001

**Kind Attn.: Mr. Santosh Kumar Poddar**

Dear Sir,

**Sub: Observation letter for draft Composite Scheme of Arrangement between The Oudh Sugar Mills Limited, Upper Ganges Sugar & Industries Limited, Palash Securities Limited, Allahabad Canning Limited, Ganges Securities Limited, Cinnatolliah Tea Limited, Vaishali Sugar & Energy Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited**

We are in receipt of the draft Composite Scheme of Arrangement between The Oudh Sugar Mills Limited, Upper Ganges Sugar & Industries Limited, Palash Securities Limited, Allahabad Canning Limited, Ganges Securities Limited, Cinnatolliah Tea Limited, Vaishali Sugar & Energy Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited and their respective shareholders and creditors under Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956.

We have perused the draft Composite Scheme of Arrangement and the related documents/details submitted by Upper Ganges Sugar & Industries Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of the Securities Laws or the Stock Exchange requirements.

Based on our letter reference no Ref: NSE/LIST/45204 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated February 5, 2016, has given following comments on the draft Composite Scheme of Arrangement:

“a. The Company to ensure that information submitted by the Company, The Oudh Sugar Mills Limited vide email dated November 26, 2015 pertaining to regulatory action initiated by SEBI against Uttar Pradesh Trading Co Ltd is included in the scheme as ‘regulatory actions by SEBI’ and the same is included in the notice to explanatory statement sent to shareholders for approval of the scheme.

b. The Company shall duly comply with various provisions of the Circulars.”

Accordingly, we do hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with Hon’ble High Court.

However, the listing of equity shares of Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited on the National Stock Exchange of India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Palash Securities Limited, Ganges



Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Companies should also fulfill the Exchange's criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited is at the discretion of the Exchange.

The listing of Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited, pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Companies satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.
2. To publish an advertisement in the newspaper containing all the information about Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited in line with the details required as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - a. "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
  - b. "There shall be no change in the shareholding pattern or control in Palash Securities Limited, Ganges Securities Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from February 8, 2016, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
  - b. Result of voting by shareholders for approving the Scheme;
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- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Ltd.

Samir Naringrekar  
Manager

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