

SASTASUNDAR VENTURES LIMITED

(Formerly Microsec Financial Services Limited)

Azimganj House, 2nd Floor

7 Abanindra Nath Thakur Sarani (Formerly Camac Street)

Kolkata - 700 017, India

Tel: 91 33 2282 9330. Fax: 91 33 2282 9335

E-mail: info@sastasundar.com, Website: www.sastasundarventures.com

CIN - L65993WB1989PLC047002

Date: 17/01/2017

To
Assistant Manager
Listing Compliance
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai – 400 001

Ref: Script Code: SASTASUNDR**Sub: Reply to Clarification sought through email dated 16th January, 2017**

Dear Sir/ Madam,

This is with reference to the clarification sought by the Exchange via email dated 16th January, 2017. Please find our reply in seriatim as detailed below:

Query No. 1**Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;****Answer:**

PRP Technologies Limited, a wholly owned subsidiary of the Company, Myjoy Tasty Food Private Limited, a wholly owned subsidiary of the Company and Myjoy Hospitality Private Limited, a wholly owned subsidiary of Myjoy Tasty Food Private Limited are merged with the Company.

The other details such as Authorised Capital, Paid up capital and Turnover of the Transferor companies and Transferee Company are mentioned herein below:

Name of Entity	Other Details
PRP Technologies Limited (PTL)- Transferor Company	Authorised Capital : 13,00,000/- (Rupees Thirteen Lakh) Paid Up Capital : 10,00,000/- (Rupees Ten Lakh) Turnover (As on 31.03.2016): Rs. 2,92,41,400
Myjoy Tasty Food Private Limited (MTFPL)- Transferor Company	Authorised Capital : Rs. 10,00,000/- (Rupees Ten Lakh) Paid Up Capital : Rs. 5,00,000/- (Rupees Five Lakh) Turnover (As on 31.03.2016): Rs. 5,95,218
Myjoy Hospitality Private Limited (MHPL) - Transferor Company	Authorised Capital : Rs. 10,00,000/- (Rupees Ten Lakh) Paid Up Capital : Rs. 5,00,000/- (Rupees Five Lakh) Turnover (As on 31.03.2016): Nil



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Sastasundar Ventures Limited (SVL) - Transferee Company	Authorised Capital : Rs. 35,00,00,000/- (Rupees Thirty Five Crore) Paid Up Capital : Rs. 31,81,05,000/- (Rupees Thirty One Crore Eighty One lakh and Five Thousand) Turnover (As on 31.03.2016): Rs. 2,21,47,104/-
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Query No. 2

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

Answer: All the Transferor Companies are the wholly owned subsidiary Company of the Transferee Company.

Query No. 3

Area of business of the entity (ies);

Answer:

The brief note of the business carried out by all the companies involved in the merger are as below:

- **PRP Technologies Limited (PTL)- Transferor Company**
PTL is an unlisted public limited company. It is a wholly owned subsidiary of the Transferee Company. PTL is engaged in the business of information technology service, investment, etc.
- **Myjoy Tasty Food Private Limited (MTFPL)- Transferor Company**
MTFPL is a private limited company. It is a wholly owned subsidiary of the Transferee Company. It was mainly incorporated with the object of manufacturing food items including ice creams and other dairy products, through setting up of manufacturing units and conducting sales through different distribution channels. It is also engaged in the manufacture of bread, flour, biscuits, cakes, other dairy products.
- **Myjoy Hospitality Private Limited (MHPL) - Transferor Company**
MHPL is a private limited company. It is a wholly owned subsidiary of MTFPL and a Step down subsidiary of the Transferee Company. The company is engaged in the business of maintaining hotels, motels, resorts, guest houses etc including business of providing tea & coffee shops, cafes, snacks bar in the branches of the Company.
- **Sastasundar Ventures Limited (SVL) - Transferee Company**



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The Transferee Company SVL (Formerly Known as Microsec Financial Services Limited) is a Core Investment Company. It has three business verticals operated through its subsidiaries viz financial services, Digital Network of Healthcare and digital media of consumer engagement.

Query No. 4**Rationale for amalgamation/ merger;****Answer:**

5. The Scheme (As defined hereinafter) envisages amalgamation of MTFPL, MHPL & PTL into SVL, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of all the Transferor Companies. Accordingly, it would be in the best interest of all the applicant companies and their shareholders. The merged entity is likely to achieve higher long-term financial returns than could be achieved by the companies individually. It is believed that the financial, managerial and technical resources, personnel capabilities, of the applicant companies pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth.
6. The merger will provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage assets, capabilities, experience and infrastructure of the companies; reduce the managerial overlaps involved in operating different entities, ease and increase operational and management efficiency, integrate business functions, and eliminate duplication and rationalization of administrative expenses.
7. Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities to maximize shareholder value.
8. Improved organizational capability and leadership arising from the pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement, and synchronizing of efforts to achieve uniform corporate policy.

Query No. 5**In case of cash consideration amount or otherwise share entitlement/exchange ratio;****Answer:**

There are no cash consideration and no exchange of shares. All the Transferor companies are the wholly owned subsidiary company of the Transferee Company.



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Query No. 6

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

Answer:

The Transferor Companies, MTFPL and PTL both are wholly owned subsidiaries of the Transferee Company, SVL and MHPL is a step down subsidiary of Transferee Company, SVL. As a result, upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Companies and the entire issued, subscribed and paid up share capital of the Transferor Companies shall stand cancelled. There are no change of shareholding of the Transferee Company after the merger.

Kindly take note of the above and acknowledge the receipt.

Thanking you,
Yours faithfully,

For Sastasundar Ventures Limited
(Formerly Microsec Financial Services Limited)

Biplab K Mani



Biplab Kumar Mani
Company Secretary & Compliance Officer