

DCS/AMAL/MJ/R37/2074/2021-22

“E-Letter”

September 08, 2021

The Company Secretary,
DHAMPUR SUGAR MILLS LTD.
Dhampur, Bijnor ,
Uttar Pradesh, 248761.

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Dhampur Sugar Mills Limited and Dhampur Bio Organics Limited and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement of Dhampur Sugar Mills Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Letter dated September 06, 2021 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, including but not limited to, the Show Cause Notice issued by SEBI to Mr. Nalin Kumar Gupta and Mr. Mukul Sharma, who are the directors of Dhampur Bio Organics Limited, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.”
- “The entities involved in the Scheme shall duly comply with various provisions of the Circular.”
- “The Company shall ensure that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”
- “Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.”
- “Company shall ensure that the entire "Scheme" details along with the details of financials provided by the Company vide its letter dated September 01, 2021 shall be prominently disclosed in the notice sent to the Shareholders.”
- “Company shall ensure that the new equity shares proposed to be issued by the Dhampur Bio Organics Limited as part of the "Scheme" shall mandatorily be in demat form only. Accordingly, the para 12.3 of Part II of the "Scheme" and other relevant paras shall be suitably amended before the "Scheme" is filed with Hon'ble NCLT and shareholders, while seeking approval.”
- “Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the provision 31.1.2 of Part IV mentioned in the scheme document.”
- “Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall ensure that it is in compliance with Regulation 31A of the SEBI LODR Regulations, 2015 with regard to the proposed reclassification at para 23 of Part III of the "Scheme".”
- “Company shall duly comply with various provisions of the Circular.”



- **“Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”**
- **“It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Dhampur Bio Organics 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. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Dhampur Bio Organics Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Dhampur Bio Organics Limited is at the discretion of the Exchange. In addition to the above, the listing of Dhampur Bio Organics Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Dhampur Bio Organics Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all Dhampur Bio Organics Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Dhampur Bio Organics Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.”
 - ii. “There shall be no change in the shareholding pattern of Dhampur Bio Organics Limited between the record date and the listing which may affect the status of this approval.”



Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' 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.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,
Sd/-

Rupal Khandelwal
Assistant General Manager