

Transcript of meeting of Equity Shareholders of the Company

Aparna Goel - Good Morning. I, Aparna Goel, Company Secretary of Dhampur Sugar Mills Limited, welcome you all to this NCLT convened meeting of Equity Shareholders of the Company participating from Delhi. As you are aware in view of the Covid-19 pandemic and pursuant to National Company Law Tribunal, Allahabad Bench Order Dated 6th December 2021, and relevant MCA and SEBI circulars, this meeting is being held through video conference and other audio-visual means provided by NSDL, without the physical presence of the members at the venue. The venue of the meeting shall be deemed to be the registered office of the company at Dhampur, Distt Bijnor, U.P.

I also welcome all the dignitaries, including Directors attending the meetings and take this opportunity to introduce them to the members.

Shri Rahul Agarwal has been appointed as Chairman of this meeting by the NCLT and he is presiding this meeting from Prayagraj. Shri Aman Kumar Dwivedi has been appointed as alternate Chairman of this meeting by the NCLT, joining from Prayagraj. CS Saket Sharma, appointed as scrutinizer by the NCLT to scrutinize the remote e-voting process and voting in the meeting in a fair and transparent manner, joined from Kanpur. Shri Vijay Kumar Goel, Chairman of the Company, participating from Delhi. Shri Ashok Kumar Goel, Vice Chairman of the Company, participating from Delhi. Shri Gaurav Goel, Managing Director of the Company, participating from Delhi. Shri Gautam Goel, Managing Director of the Company, participating from Delhi. Shri Sandeep Sharma, Executive Director of the Company, participating from Delhi. Shri Mahesh Prasad Mehrotra, Independent Director of the Company and Chairman of the Audit Committee and Nomination and Remuneration Committee, and Member of the CSR Committee of the Company, participating from Delhi. Shri Ashwani Kumar Gupta, Independent Director of the Company and Chairman of Stakeholder Relationship Committee and Member of Audit Committee and Nomination and Remuneration Committee of the Company, participating from Lucknow. Shri Yash Poddar, Independent Director of the Company, participating from Kolkata. Shri S.P. Arora, Independent Director of the Company, participating from Ghaziabad. Shri Susheel Kumar Mehrotra, Chief Financial Officer of the Company, participating from Delhi. Shri Nalin Kumar Gupta, Joint Chief Financial Officer of the Company, participating from Delhi. Ms Neena Goel representing TR Chadha & Co. LLP, Joint Statutory Auditors of the Company, participating from Delhi. Ms Fiza Gupta representing Atul Garg & Associates, Joint Statutory Auditors of the Company participating from Kanpur.

In compliance with the NCLT order dated 6th December 2021, the remote e-voting facility was provided by the Company to its shareholders from Sunday, 23rd January 2022 from 9:00 am till Friday 28th January 2022 till 5:00 pm.

The Company is also providing an e-voting facility during the proceedings of the meeting to enable those members to cast their votes who have not done through e-voting.

Members may please note that notice and explanatory statement were dispatched to all the Equity Shareholders and the documents referred to in the notice are available for inspection during the meeting. Now I invite Shri Rahul Aggarwal to kindly chair the proceedings of this meeting.

Rahul Agarwal- Thank you Aparna. Good Morning Ladies and Gentlemen. A very warm welcome to everyone present today at the meeting of the shareholders of the company. Since the quorum is present, I declare the meeting as open.

Dear Shareholders, the Scheme of Arrangement of the demerger of the Three (3) units of the company to its wholly-owned subsidiary, has already been circulated amongst all of you and that contains the detailed terms as such it is taken as placed and read. As mentioned by Aparna, I would like to reiterate that voting on the proposed resolution on the scheme of arrangement is already enabled and only those members who have not already cast their votes through remote e-voting facility may once again cast their vote till 30 minutes from the conclusion of this meeting. It is to further inform that the company has received some requests from members to register them as speakers at the meeting. Accordingly, the floor is open for these members to ask questions or express their views. Members can also post their views or questions through the chatbox facility. If any member faces any technical issue, kindly contact the helpline numbers of NSDL, as provided in the notice. I would, however, request all the members to keep their questions brief and specific to the scheme of arrangement only, due to the constraints of time. I, and the Company, reserve the right to restrict the number of questions and the number of speakers, as appropriate, for the smooth conduct of the meeting.

I now invite the speakers who have registered themselves to express their views and ask questions. We will wait for one minute, then we will move to the next speaker. I would also like to highlight that the speaker whose name will be taken, their mic will be opened by the moderator of this meeting. You will also have to unmute your mic from your end and thereafter your views and questions can be expressed, which will be audible to us. It is after all the speakers have finished speaking that the management will reply to their questions. If any question of any shareholder remains unanswered due to any reasons, the same will be replied to the shareholders on the email within a week from the conclusion of the meeting. I now request the host to call upon the speakers to put forth their questions and views.

Host - I invite Mr Ashit Kumar Pathak to express his views and ask questions.

Ashit Kumar Pathak- Am I audible Ma'am?

Host - Yes, you are audible. Please ask your question.

Ashit Kumar Pathak: Yes.

Respected Chairman, Board of Directors, Company Secretary, Fellow Members, joining Honorable NCLT Allahabad Bench, convened meeting of Dhampur Sugar Mills Limited. My name is Ashit Kumar Pathak from Dumdum Kolkata. At first, my esteemed gratitude to Company Secretary Ms Aparna Goel and also Vijayata Dixit for sending me the notice of the NCLT convened meeting very well in advance and allowing me to speak. Also, thanks to NSDL and Webex also. Sir, I have already sent my queries which I would like to share. The probable effective time for this arrangement. After the demerger, Dhampur Sugar Mills, with resulting Company Dhampur Bioorganics Ltd., any future benefits focused on Dhampur Sugar Mills Limited shareholders. Give some highlights so that members of Dhampur Sugar Mills Ltd. may

be benefitted with good dividends, bonuses, as well as capital appreciation. Any possible chance the demerger process may be cancelled, and finally, the scheme is divided into four parts. Part 3 of the scheme deals with transferred GV promoter group of the equity shares held in the resulting company to the GT promoter group, and the transfers by the GT promoter group of the equity shares held by them in the demerged company to GV promoter group, and the matters consequential there mentioned. Sir, my view is- any future chance the shareholders of the DSML get shares of DBOL, by any means, either by rights issue or in other ways. If possible, give some highlights. These are my views, which I like to share. Thanking you Sir.

Thank you, Sir. I now invite our second speaker shareholder Mr Rajendra Tulsiyan. Sir, please ask your question.

Rajendra Tulsiyan- Hello.

Host : Sir, you are audible.

Rajendra Tulsiyan- Ok *Namaste*. Good Morning. *Sabse pehle aapko badhai ki aap company ke future plan ke liye demerge kar rahe hain. To demerger main samajhta hoon ki har samay usme hota hai ki jo value unlocking ho sakti hai. Mera isme 2-3 chote-chote sawal hain. Jyada samay main aapka nahi lunga. Ek to ye ke kab tak aap poora kar payenge demerger ka process. Ek timeline jaroor shareholders ko pata honi chahiye aur jo bhi expected timeline hai, offcourse main ye samajhta hoon ki ye court ke through hota hai, NCLT ke through, to thoda time lag sakta hai. Lekin fir bhi jo bhi kuch idea aap de payenge bahut accha rahega. Second, ham janna chahenge ke jab ye division ho jayega to kya company sufficient rahengi is baat ke liye ke unko feed-stock mein problem nahi ho. Kya ek doosre se independence rahegi ya koi aisi trouble aane wali hai? Kyunki future growth ke liye ye baatein badi jaroori hain. Abhi ye company ek consolidated unit hai to problem nahi hai lekin jab companies alag-alag ho jayengi to kya interdependence rahegi ye uske baare mein kya solution hamare pass hai? Kyunki for feedstock like molasses, for ethanol ke liye chahiye hota hai. Doosra question mera ye hai ki ethanol is samay buzzword hai. Aur 2-3 din baad budget aane wala hai, aur sugar companies me iske baare me bahut jyada jagrookta hai. Jo company ka division ho rha hai, us se kya dono companies ko equal fayda rahega? Aur kya companies me bhawishya me ye bhi plan hai ki ham ethanol ko banane ka aur efficient tarika dhoondhne ki koshish karenge, jaisa aisa sun ne me aa rha hai ki base grain se bhi ethanol ban jata hai. To kya is tarah ki koi R&D, koi development, koi issue hamare pass hai taki ham apni cost of production kam kar sakein. To main chahunga is bare me aap thoda hamein brief kar dein. Aur koi aisi baat jo maine nahi poochi ho jo shareholders, aur wo aap batana chahein, hamein badi khushi hogi jan ne se.* Thank you very much.

Host - Thank you, Sir. Now I further invite our third speaker shareholder Mr Indresh Sharma. Sir, please ask your question.

Indresh Sharma- Good morning to all of you. My question is will the resulting company be listed on stock exchanges? If yes, which stock exchange?

Host - Thank you, Sir. Now I further invite our next speaker shareholder Mr Sanjay Kumar Aggarwal. Sir, please ask your question.

Sanjay Kumar Aggarwal- *Namaskar. Mera ye sawal tha...*

Host - Sir, your voice is not audible.

Sanjay Kumar Aggarwal- Ma'am, voice aa rhi hai.

Host - Yes Sir. Please ask your question.

Sanjay Kumar Aggarwal- *Namaskar. Mera ye sawal tha, jin logon ke pass shares physical mode me hain, unko shares kaise allot honge? Demat form mein ya physical form mein?* Thank you.

Host - Thank you, Sir. Now I further invite our last speaker shareholder Mr Arhant Jain. Sir, please ask your question.

Arhant Jain- Thank you for giving me this opportunity for asking questions. My first question is- what will be the net worth of each company post demerger? Will it be equal? The second question is- will there be separate annual reports for FY 21-22 for both the Companies? And the last is- which cut-off date will be taken for issue of shares of the new company? Thank you.

Host - Thank you, Sir. Over to you Chairman Sir.

Rahul Agarwal- Thank you, shareholders. You asked very insightful questions in the scheme of arrangement. I now request the Managing Directors, along with their team, to answer the questions one by one. And in case, though I do not see it, there is repetitions in the questions by any shareholders, it shall only be answered only once. Over to you the Managing Directors. Please answer the questions.

Gautam Goel- Good day Sir. My name is Gautam Goel. I am the Managing Director for the Company. So, I would like to inform about one of the first questions that came from Mr Pathak regarding the probable effective time for demerger, from the resulting Company DBOL. So, this will be as per the process of NCLT. The process will be after receiving the order from NCLT to be filed with the ROC and that could become the effective time for the demerger.

Gaurav Goel: On your other question, and just to reiterate what Gautam just said, final date is expected to be about two months and this is just an estimate as of now. We are not sure about it but two months after the NCLT order. I think that we will be able to get all the clearances from ROC, SEBI, and everybody else. The management and the Board of Dhampur are very clear that this will create value for everybody, the shareholders, the farmers, the bankers. So, there is no reason for us to rethink the demerger scheme which is happening as of now.

Gautam Goel: To continue with Gaurav's question, I think there was one of the questions asked by one of the shareholders regarding the feedstock, which has already been specific in the rationale, point number 3 that both the companies will be independent and self-sufficient for feedstock.

Gaurav Goel: The question of Mr Arhant Jain on the net worth, the net worth of both the companies will almost be equal. It is about Rs 781 crores will be the networth for both of them,

each. So, they are exactly the same. On your other question on the shares, physical mode shares will be given as demat shares of DBOL. Let me also clarify to the first point of Mr Pathak, the shareholding will be mirrored. So, the exact shares, as many shares you have as of now of Dhampur Sugar Mills, the same amount of shares you will get of DBOL also. So, that is why your question about rights issue and all that does not come through because you will get the same amount of shares in both.

Gautam Goel: I think one of the questions came about the listing. Both the companies will be listed. Dhampur is already listed. DSML is already listed on the NSE and the BSE. So will DBOL be listed on the NSE and the BSE. I think Mr Pathak you also spoke about the benefits which also have been specified in the scheme of arrangement. We expect value unlocking to take place and consolidation of management.

Gaurav Goel: And one person asked about the grain base. So, grain-based plants are coming up and both the companies are exploring the possibility of putting grain-based plants also. That will be dependent on the Board to actually sanction that. But now actually grain based is something which is very easily done. The process is pretty well set on that. So yes, both sides will also be thinking about that.

Gautam Goel: I think the last two questions which are left are from Mr Jain regarding the cut-off date. The cut-off date is specified as per the scheme of arrangement as 1st of April 2021. The second question was regarding the separate annual reports. They too will be made. As per the cut-off date, separate annual reports will also be made.

Rahul Ji, I think we pretty much answered all the questions. There were some repeated questions regarding listing and all of that. Which have been clubbed together.

Rahul Agarwal- I thank both the Managing Directors for having addressed the views and the questions of the shareholders. Now I request Ms Aparna Goel, the Company Secretary to read out the resolutions proposed before the shareholders. The shareholders may again note that the e-voting module for voting during the meeting is active and remains active for 30 minutes after the conclusion of the meeting. Over to you Aparna. Please read out the resolutions.

Aparna Goel: Thank you, Sir. I hereby read the resolutions.

“RESOLVED THAT pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, Section 2(19AA) of the Income-tax Act, 1961, SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 (**“SEBI Master Circular”**) consolidating SEBI Circulars dated 10th March, 2017, 23rd March 2017, 26th May 2017, 21st September 2017, 3rd January, 2018, 12th September, 2019 and 3rd November, 2020 (collectively, the (**“SEBI Circulars”**)) on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, the observation letters received from BSE Limited and National Stock

Exchange of India Limited and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, Allahabad Bench (“NCLT”) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorized by it to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to the transfer by way of demerger of all the undertakings, properties, activities, operations, investments, assets and liabilities and businesses, on a going concern basis, of the manufacturing units of sugar, chemicals and co-generation of power of the Company situated at Asmoli, district Sambhal, Mansurpur, district Muzaffarnagar and Meeraganj, district Bareilly, all in the State of Uttar Pradesh (collectively referred to as (“Demerged Undertaking”) of the Company, into Dhampur Bio Organics Limited (a wholly owned subsidiary of the Company) (“Resulting Company”), with effect from the Appointed Date (as defined in the Scheme), and issuance of the New Equity Shares (as defined in the Scheme) to all the shareholders of the Company as set out in the Scheme and cancellation of the existing share capital of the Resulting Company, in terms of the Scheme of Arrangement between the Company and Resulting Company and their respective shareholders and creditors (“Scheme”) as placed before this meeting.

RESOLVED FURTHER THAT the Scheme of Arrangement between Dhampur Sugar Mills Limited (Demerged Company) and Dhampur Bio Organics Limited (Resulting Company) and their respective shareholders and creditors which was circulated and placed before this meeting and all matters consequential, supplemental and/or otherwise integrally connected therewith as per the terms and conditions mentioned in the Scheme, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/ or imposed by the NCLT and/ or any other authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

This resolution is placed before the meeting to be passed by the majority of shareholders representing three-fourth in value. Further, the scheme of arrangement shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it. Members who have not cast their votes through remote e-voting or e-voting during the proceedings of the meeting are requested

to kindly vote on the proposed resolution. The e-voting module is already active. The icon for e-voting is available on the screen, which will redirect you onto a separate window to the e-voting portal of NSDL. The e-voting facility is active and will be closed after 30 minutes of the closure of this meeting. Now I request Chairman Sir to take over and announce, with respect to the results of e-voting.

Rahul Agarwal- Thank you Aparna. Members may note that the results of the remote e-voting shall be downloaded by the scrutinizer who would prepare his report on the same. Thereafter, the scrutinizer will club the remote e-voting results with the results of the voting at today's meeting. The consolidated report shall be submitted to me, after which I will countersign it and the combined results would be announced or displayed through the website of the Company, i.e., www.dhampur.com and also the NSDL website which is www.evoting.nsdl.com, within 48 hours of the conclusion of this meeting. It will also be intimated to the stock exchanges where the securities of the Company are listed. A copy of the results shall also be displayed on the notice board of the registered office of the Company and also at its corporate office. The combined results would be treated as part of the proceedings. Additionally, I will submit my report to the honorable NCLT Allahabad Bench after incorporating the e-voting results as submitted by the scrutinizer in due course.

Dear Members, as advised by the scrutinizers, all members who are participating in the meeting have been given adequate time and opportunity to vote at the meeting and therefore, this concludes the proceedings of the meeting. The e-voting facility will remain open for the next 30 minutes also to enable shareholders to cast their votes. I thank all of you for participating in the meeting. Thank you so much.

Aparna Goel: Dear shareholders, I thank you all for having spared your valuable time to attend the meeting of Equity Shareholders of the Company. Thank you.