



Dhampur Bio Organics Ltd.

**DHAMPUR BIO ORGANICS LIMITED**

Dhampur Bio Organics Limited (the “Company” or “DBOL”) was originally incorporated as “RMSD Enterprises Private Limited” under the Companies Act, 2013, in Uttar Pradesh, India, vide certificate of incorporation dated October 26, 2020 issued by the Registrar of Companies, Kanpur. The name of the Company was changed from RMSD Enterprises Private Limited to “Dhampur Bio Organics Private Limited” by a fresh certificate of incorporation pursuant to change of name dated April 21, 2021 issued by the Registrar of Companies, Kanpur. The Company was later converted into a Public Limited Company having name “Dhampur Bio Organics Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Kanpur dated April 22, 2021. For further details, please see section titled “History and Certain Corporate Matters” on page 44 of this Information Memorandum.

**Corporate Identification Number:** U15100UP2020PLC136939

**Registered Office:** Sugar Mill Compound, Village Asmoli, District Sambhal, Moradabad, Uttar Pradesh-244304

**Corporate Office:** Second Floor, 201, Okhla Industrial Estate, Phase-III, New Delhi-110020

**E-mail:** investors@dhampur.com; **Website:** www.dhampur.com

**Contact Person:** Ashu Rawat, Company Secretary and Compliance Officer, **Tel:** 011-6905-5200

**PROMOTERS OF OUR COMPANY**

Mr. Vijay Kumar Goel, Mr. Ashok Kumar Goel, Mr. Gaurav Goel, Mr. Gautam Goel

**INFORMATION MEMORANDUM FOR LISTING OF FULLY PAID 6,63,87,590 EQUITY SHARES OF ₹ 10 EACH ISSUED BY OUR COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Specific attention of the investors is invited to the statement of “Risk Factors” given on page 18 under the section ‘General Risks’.

**OUR COMPANY’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares of our Company are proposed to be listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”), (hereinafter collectively, referred to as the “Stock Exchanges”). For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. The Demerged Company has received in-principle approval for listing from BSE and NSE on September 8, 2021 and September 15, 2021 respectively.

Our Company has submitted this Information Memorandum to BSE and NSE and this Information Memorandum shall be made available on our Company's website at www.dhampur.com. The Information Memorandum would also be made available on the respective website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

**REGISTRAR AND SHARE TRANSFER AGENT**



**Alankit Assignments Limited**

205-208 Anarkali Complex, Jhandewalan Extension, New Delhi-110055

**Tel No.:** 011 - 4254 1234 **Fax No.:** 011-2355 2001

**Contact Person:** J. K. Singla

**E-mail:** rta@alankit.com

**Website:** www.alankit.com

**SEBI Registration Number:** INR000002532

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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

*This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time.*

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Our Business”,/ “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Risk Factors”, “Financial Statements”, “Outstanding Litigation and Other Material Developments” and “Scheme of Arrangement”, shall have the meaning ascribed to such terms in those respective sections.*

### Company and Scheme Related Terms

Term	Description
AoA/ Articles of Association/ Articles	The articles of association of our Company, as amended from time to time
Appointed Date of Demerger	Opening business hours of April 1, 2021 or such other date as the NCLT may direct/allow.
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “Our Management” on page 66.
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Company Fiscal 2021	With respect to the Financial Statements of our Company, Fiscal 2021 refers to the period from October 26, 2020 (Date of Incorporation) to March 31, 2021
Corporate Office	The corporate office of our Company is situated at Second Floor, 201, Okhla Industrial Estate, Phase-III, New Delhi-110020
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in “Our Management” on page 70
“DBOL” or “the Company” or or “our Company” or “we” or “us” or “our”	Dhampur Bio Organics Limited, a company incorporated in India under the Companies Act, 2013
Demerged Company	Dhampur Sugar Mills Limited
Demerged Undertaking	All the business, undertakings, properties, activities, operations, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Demerged Company, in relation to and pertaining to the Demerged Units on a going concern basis, together with all assets and liabilities pertaining to the Demerged Units and shall include (without limitation):

	<p>(a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications, digital properties and related data, related investments, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks, investments including shareholding in DIPL, escrow accounts, claims tax credits, input credits, pro rata minimum alternate tax credits, tax refunds and claims of any kind, allotments, approvals, consents, letters or intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold, brands, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorizations, Intellectual Property, assignments and grants in respect thereof, import and export quotas and other quota rights, right to use and avail of telephones, facsimile, email, internet and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds and benefits (including all work in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, privileges and approvals of whatsoever nature and where so ever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to the Demerged Units as stated above as on the Appointed Date, including those listed in <b>Schedule I</b> of the Scheme;</p> <p>(b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company pertaining to the Demerged Units as on the Appointed Date;</p> <p>(c) all employees of the Demerged Company engaged in or in relation to the Demerged Units, along with all benefits under employment including gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits of such employees;</p> <p>(d) all the Transferred Liabilities (as defined below);</p> <p>(e) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs and softwares along with their licenses and registrations, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in</p>
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	<p>physical or electronic form, in connection with or relating to the Demerged Units as stated above of the Demerged Company;</p> <p>(f) all legal proceedings (past, present or future) of whatsoever nature by or against the Demerged Company relating to the Demerged Undertaking;</p> <p>(g) any assets, liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Companies relating to or forming part of the Demerged Units or which are necessary for conduct of, or the activities or operations of, the Demerged Units.</p>
Demerged Units	<p>The following sugar, industrial alcohol, ethanol, chemicals and potable alcohol and power manufacturing units of the Demerged Company, each of which is referred to as a going concern:</p> <p>(i) Asmoli unit situated at Asmoli, district Sambhal (Uttar Pradesh), including the sugar manufacturing plant having capacity of 9,000 tonnes crushing per day of sugarcane, 1,50,000 litres (now increased to 2,50,000 litres) of distillery/chemicals per day including ethanol etc. and 43.5 megawatts co-generation of power;</p> <p>(ii) Mansurpur unit situated at Mansurpur, district Muzaffarnagar (Uttar Pradesh), including the sugar manufacturing plant having capacity of 8,000 tonnes crushing per day of sugarcane and 33 megawatts co-generation of power; and</p> <p>(iii) Meerganj unit situated at Meerganj, district Bareilly (Uttar Pradesh) including the sugar manufacturing plant having capacity of 5,000 tonnes crushing per day of sugarcane and 19 megawatts co-generation of power.</p>
Director(s)	The director(s) on our Board
DSML	Dhampur Sugar Mills Limited
Effective Date	The date on which INC-28 was filed with Registrar of Companies, Kanpur the Scheme. i.e. May 3, 2022
Equity Shares	The equity shares of our Company of face value of ₹10 each
Financial Statements/ Financial Information/ Standalone Financial Statements	Audited Ind AS financial statements of our Company for the financial year ended March 31, 2021 and Consolidated financial statements for year ended March 31, 2022.
Group Companies	In accordance with Regulation 2(1)(t) of SEBI ICDR Regulations Group Companies include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer
GT Promoter Group	Means Mr. Vijay Kumar Goel, Mrs. Deepa Goel, Mr. Gautam Goel, Mrs. Bindu Vashist Goel, Shudh Edible Products Private Limited and Sonitron Limited.

GV Promoter Group	Means Mr. Ashok Kumar Goel, Mrs. Vinita Goel, Mr. Gaurav Goel, Ms. Ishira Goel, Goel Investments Limited, Saraswati Properties Limited and Ujjwal Rural Services Limited.
Independent Directors	The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.
Information Memorandum	This information memorandum dated [•] filed with the Stock Exchanges issued in accordance with the applicable laws as prescribed by SEBI.
Key Management Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as described in “Our Management” on page 72
Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
NCLT	The National Company Law Tribunal at Allahabad having jurisdiction in relation to the Demerged Company and Resulting Company and / or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230-232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230-232 of the Act as may be applicable.
Net Worth	Net worth of our Company, in terms of Regulation 2(1)(hh) of the SEBI ICDR Regulations.
Nomination and Remuneration Committee/ NRC	The Nomination and Remuneration Committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in “Our Management” on page 68
Promoters	The promoters of our Company, as identified and defined in “Our Promoters and Promoter Group” on page 72 as per shareholding pattern.
Promoter Group	Persons and entities constituting the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “Our Promoters and Promoter Group” on page 74.
Record Date	The record date fixed by the Board of the Demerged Company in consultation with the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company for issue of new equity shares i.e., May 17, 2022
Registered Office	The registered office of our Company is situated at Sugar Mill Compound, Village Asmoli, District Sambhal, Moradabad, Uttar Pradesh,-244304
Registrar of Companies/ RoC	The Registrar of Companies, Uttar Pradesh at Kanpur.
Registrar and Share Transfer Agent/RTA	Alankit Assignments Limited
Resulting Company	Dhampur Bio Organics Limited

Risk Management Committee	The Risk Management Committee of our Company, constituted in accordance with Regulation 21 of the SEBI Listing Regulations, as described in “Our Management” on page 69
Scheme of Arrangement/ Scheme	Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between Dhampur Sugar Mills Limited ( <b>Demerged Company</b> ) and Dhampur Bio Organics Limited ( <b>Resulting Company</b> ).
Shareholders	Shareholders holding Equity Shares of our Company, from time to time.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in “Our Management” on page 69
Statutory Auditor/ Auditor	The statutory auditor of our Company, M/s. Mittal Gupta & Co., Chartered Accountants, (Firm Registration No: 01874C), 14 Ratan Mahal, 15/197, Civil Lines, Kanpur - 208001
Transferred Liabilities	<p>(a) The Liabilities which relate to or arise out of the activities or operations of the Demerged Undertaking;</p> <p>(b) The specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking;</p> <p>(c) In cases other than those referred to in Clauses 6.3(a) or 6.3(b) of the Scheme, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Scheme bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.</p>

### Conventional and General Terms and Abbreviations

Term	Description
Rs./ Rupee(s)/ INR/ Re	Indian Rupees, the official currency of the Republic of India
Act/Companies Act	Companies Act, 2013, as amended
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Bonus Act	The Payment of Bonus Act, 1965, as amended
BSE	BSE Limited
Capital or Share Capital	Share Capital of our Company
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CSR	Corporate Social Responsibility
CY	Calendar Year
Companies Act/ Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder

Demat	Dematerialized
Designated Stock Exchange	BSE Limited
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGM	Extra-ordinary General Meeting
EPS	Earnings per share
Factories Act	The Factories Act, 1948, as amended
Financial Year/ Fiscal Year/ FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
GAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
GoI/ Central Government / Government	The Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST	Goods and Services Tax
ICAI	Institute of Chartered Accountants of India
Income Tax Act / IT Act	Income-tax Act, 1961 and amendments thereto
IND AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015.
Indian GAAP/ IGAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges post applicability of the SEBI Listing Regulations.
MCA	Ministry of Corporate Affairs, Government of India.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
RBI	The Reserve Bank of India
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Circular	The circular issued by the SEBI, being Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by Circular Nos. CFD/DIL3/CIR/2018/2 dated January 3 2018

	and SEBI/HO/CFD/DIL1/P/CIR/2020/215 dated November 3, 2020, as consolidated in SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and any amendments thereof.
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations /SEBI (LODR) Regulations / Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Stock Exchange(s)	National Stock Exchange of India Limited and BSE Limited
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

#### Technical/Industry related terms. Abbreviations

Term	Description
Capital Employed	Total Assets less Current Liabilities or Fixed Assets plus Working Capital
CSR	Corporate Social Responsibility
Debt / Equity	Total debt divided by total equity
EBIT	Earnings before interest and taxes calculated as profit before tax plus interest expense
EBITDA	Earnings before interest, tax, depreciation and amortization; calculated as profit before tax plus interest expense plus depreciation less other income
FACE	Food and Agriculture Centre of Excellence
FAO	Food and Agriculture Organization
FSSA	The Food Safety and Standards Act, 2006
Net debt / EBITDA	(Gross debt minus cash) divided by EBITDA
R&D	Research and Development

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION CERTAIN CONVENTIONS**

### **Financial Data**

Our Company publishes its Audited Financial Statements in Indian Rupees. Unless stated otherwise, the financial data pertaining to the Company in this Information Memorandum is derived from our Audited Financial Statements for the Financial Year 2022 and such Audited Financial Statements are represented in Indian Rupees (actual figure). The said Financial Statements are disclosed in the section titled “Financial Information” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on pages 83 and 144 respectively of this Information Memorandum. Our Audited Financial Statements, including the reports issued by the statutory auditor for the year ended March 31, 2022 included in this Information Memorandum, have been prepared in accordance with Ind AS and the Companies Act, 2013. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal Year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Financial/Fiscal Year are to the year ended on March 31, of that calendar year.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Further, they also state that the information contained in the industry reports are of a general nature and do not address the circumstances of any particular individual or entity. Although the Company believes that the industry and market data used in this Information Memorandum is reliable, it has not been independently verified by us or any independent sources.

The information included in this information memorandum about various other companies is based on their respective annual reports and information made available by the respective companies.

### **Currency and Units of Presentation**

All references to “Rupees” or “Re.” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

## FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to the following:

- effect of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted;
- our ability to successfully implement our strategy, our growth and expansion
- our ability to compete with and adapt to technological advances;
- changes in domestic laws, regulations and taxes;
- the performance of the financial markets in India and globally;
- general economic, political and business conditions in the markets in which we operate and in the local,
- regional and national economies;
- our ability to control cost and retained key personnel;
- failure to maintain high level of customer satisfaction
- the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates,
- foreign exchange rates, equity prices or other rates or prices; and
- civil disturbances, regional conflicts, accidents and natural disasters

For further discussion of factors that could cause our actual results to differ from the expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page 18, page 38 and page 83 respectively. By their nature, certain market risk disclosures are only estimates, and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Promoters, our directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

## SECTION II – INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Information Memorandum, including the sections entitled ***“Risk Factors”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Our Promoters and Promoter Group”, “Financial Statements”, “Our Business” and “Main Provisions of the Articles of Association”*** on pages 18, page 36, page 149, page 74, page 83, page 38, and page 160 respectively. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

### **Summary of Business**

The business of the Company is to carry out the manufacturing, producing, boiling, refining, preparing, growing, brewing, purchasing, marketing, retailing, importing, exporting, selling, trading of sugar, power and industrial alcohol and ethanol. The Company also carries on the business of electricity and power producers, power purchasers, co-generation of power and distributing, transmitting and supplying and for the purpose of feeding the plants of the Company.

For further details, see “Our Business” on page 38

### **Summary of the Industry in which we operate**

The sugar mills in India are expected to produce a total of 35.8 Million Tonnes of sugar in the sugar season 2021-22, 14.7% more when compared to 31.2 million Tonnes produced during the same period in the 2020-21 season, whereas sugarcane consumption is pegged at 27.2 Million Tonnes. This growth was accounted mainly by high availability of sugarcane in the country. In FY 2021-22, 522 sugar mills were involved in crushing operations throughout the country, compared to 506 mills in the previous season. Around 3.5 Million Tonnes sugar diverted towards ethanol production. It is estimated that a larger quantity of cane juice / syrup and B-molasses will be diverted to ethanol with higher availability of sugarcane and surplus sugar production. India is expected to retain its position as the largest consumer and second largest producer of sugar in the world. Over the last 2 years, India has reached a new production historically high level above consumption. The fixing of sugarcane prices by the government to support farmer incomes, coupled with the fixed minimum domestic sugar prices and remunerative ethanol blending programme, catalysed the country’s production to reach new benchmarks. The sugar industry supports the rural population significantly in India mainly in Uttar Pradesh, Punjab, Maharashtra, Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, and Tamil Nadu.

### **Indian ethanol sector overview**

For Ethanol Supply year 2021-22, OMCs finalised 4.43 billion litres against a total requirement of 4.59 billion litres. 2.16 billion litres have been supplied till now, around 49% of contracted quantity. Average blending percentage has already reached 10.01%. (Source: ISMA).

Promoted by the government, Indian states have increased production of first generation ethanol from feed stocks such as cereals like rice, wheat, barley, corn, sorghum sugarcane and sugar beet under the modified ethanol generation scheme by the government. This would eventually help the government in getting closer to achieving the goal of blending 20% ethanol in petrol by 2025.

Ethanol is also a prominent alcoholic beverage input, which is utilized mainly in beer, cider, wine and spirits. Therefore, factors such as changing lifestyle and growing adoption of the western culture are expected to be major growth drivers for ethanol in the country. The rising demand and production of alcoholic beverages has proved to be a profit booming segment for the Indian ethanol market.

Due to its numerous germicidal properties, ethanol also finds several applications in the disinfectants segment and has been strongly recommended by the World Health Organization as an essential constituent in alcohol-based hand sanitizers. Moreover, since the onset of COVID-19 pandemic, this segment has also been a source of revenue for the ethanol segment.

The central government announced to provide interest subvention for five years including one year's moratorium against the loan towards expansion and new projects of ethanol and approved 71 ethanol production projects. This would bring a wave of hope for the farmers to facilitate the diversion of surplus sugar to ethanol.

The ethanol blending program is a method to reduce oil imports, boost international sugar prices and cause a decline in carbon emissions in the large cities. The problem of excess sugar production will be solved by higher ethanol production.

### **Renewable energy**

Sugar production is energy concentrated industry and, requires steam and electricity. Bagasse is the residue of sugarcane after it is crushed and burnt as a fuel in the sugar mills. The sugar mills' own energy needs are fulfilled through bagasse cogeneration. However, adequate electricity supply to the grid has accelerated globally in the last decade. Bagasse has several benefits like increased feasibility of sugar mills, security of energy, fuel diversity, diminished transmission and distribution losses and reduction of carbon emission. The central government launched a programme to reinforce adequate electricity generation from bagasse cogeneration. Bagasse is useful as a fuel source for sugar mills; when burned in substantial quantity, it generates energy sufficient to meet all the electricity requirements of a typical sugar mill. It is currently being used worldwide as a fuel source to produce energy and electricity and is being sold to electricity grids. Bagasse is a versatile replacement for products derived from trees. Bagasse tends to be a valuable substitute for traditional paper, plastic and foam-based products in an exceedingly growing number of products. The sugar mills can contribute significantly bagasse based power generation in eco friendly manner.

For further details, see "Industry Overview" on page 36.

### **Our Promoters and Shareholding of our Promoters and Members of our Promoter Group**

As on the date of this Information Memorandum, the name of the Promoters, members of Promoter Group and their shareholding are detailed below:

Name of the person/Entity	Category	No. of Equity Shares held	Percentage (%)
<b>Promoters</b>			

Mr. Vijay Kumar Goel	Promoter	3,49,116	0.53
Mr. Ashok Kumar Goel	Promoter	55,384	0.08
Mr. Gaurav Goel	Promoter	20,16,904	3.04
Mr. Gautam Goel	Promoter	42,42,339	6.39
<b>Total [A]</b>		6663743	10.04
<b>Promoter Group</b>			
Ms. Deepa Goel	Promoter Group	23,41,936	3.53
Ms. Vinita Goel	Promoter Group	25,050	0.04
Ms. Ishira Goel	Promoter Group	1,05,525	0.16
Ms. Bindu Vashist Goel	Promoter Group	76,350	0.11
Ms. Aparna Jalan	Promoter Group	46,100	0.07
Ms. Ritu Sanghi	Promoter Group	7,500	0.01
Ms. Shefali Poddar	Promoter Group	31,760	0.04
Ms. Asha Kumari Swaroop	Promoter Group	4	0.00
Ujjwal Rural Services Limited	Promoter Group	1,25,000	0.19
Goel Investments Limited	Promoter Group	1,06,55,515	16.05
Shudh Edible Products Private Limited	Promoter Group	42,99,680	6.48
Saraswati Properties Limited	Promoter Group	32,66,758	4.92
Sonitron Limited	Promoter Group	49,40,716	7.44
<b>Total [B]</b>		25921894	39.04
<b>TOTAL [A] + [B]</b>		<b>3,25,85,637</b>	<b>49.08</b>

#### **Size of the Issue:**

This Issue is for listing of fully paid 6,63,87,590 Equity Shares of Rs. 10 each by the Company, pursuant to the Scheme of Arrangement. No Equity Shares are proposed to be sold or offered pursuant to this Information Memorandum.

#### **Objects of Issue:**

There are no objects of Issue except listing of 66,387,590 Equity Shares allotted pursuant to the Scheme.

#### **Financial Information:**

The following information has been derived from the financial statements:

(₹ in Crore)

Particulars	For Financial Year ended March 31, 2022	For the period from October 26, 2020 to March 31, 2021
Share capital	66.39	66.39
Net worth	884.82	780.94
Revenue	1548.13	0.00
Profit after Tax	103.70	(0.01)
Earnings per Equity Share (basic and diluted)(in INR)	15.61	(11.18)
Net asset value per Equity Share (in INR)	133.26	117.61
Total borrowings	717.96	295.70

For further details, see “Financial Statements” on page 83

#### Auditors Qualifications or Adverse Remarks

There have been no qualifications or adverse remarks by our Auditors in the Financial Statements.

#### Outstanding Litigation

A summary of pending criminal proceedings, taxation proceedings, actions taken by statutory or regulatory authorities and other material litigation proceedings involving us, our Directors, our Promoters as applicable, on the date of this Information Memorandum is set out below:

Sl No.	Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory/Regulatory Proceedings	Material Civil Litigation	Aggregate amount involved (INR Lakhs)
<b>1</b>	<b>Company</b>					
	By the Company	0	0	0	0	0
	Against the Company	0	0	2	0	1500
<b>2</b>	<b>Subsidiaries</b>					
	By the Subsidiaries	0	0	0	0	0
	Against the Subsidiaries	0	0	0	0	0
<b>3</b>	<b>Directors</b>					
	By the Directors	0	0	0	0	0
	Against the Directors	1	0	3	0	0
<b>4</b>	<b>Promoters</b>					
	By the Promoters	0	0	0	0	0
	Against the Promoters	0	0	0	0	0

For further details, see “Outstanding Litigation and Other Material Developments” at page 149

### **Risk Factors**

For details of the risks associated with our Company, see the section “Risk Factors” on page 18.

### **Contingent Liabilities**

For the year ending on March 31, 2022

#### **Contingent Liabilities and Commitments**

##### **I. Contingent Liabilities (not provided for in Respect of:**

**(₹ in Crore)**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021*</b>
<b>i) Demands being disputed by the Company:</b>		
a) Excise duty and Service Tax demands	1.57	1.57
b) Trade Tax and Entry Tax demands	0.92	0.92
c) Other demands	18.89	18.89
d) Estimated amount of interest on above	16.54	15.33
<b>ii) Claims against the company not acknowledged as debts :</b>		
a) other liabilities	-	-
b) In respect of some pending cases of employees and others	Amount not ascertainable	Amount not ascertainable

\* Transferred to the Company pursuant to Scheme of Arrangement

##### **II Capital Commitments**

**(₹ in Crore)**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021*</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for	34.40	66.80

### **III. Legal Cases**

i) Honourable Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan VS State of U.P. passed a final order on March 09, 2017 directing the Cane Commissioner to decide afresh the issue as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short ‘the Act’). The matter is yet to be finalised and pending before Supreme

Court for adjudication. Based on the legal review of the facts of the case and considering past practice, no liability is likely to crystallise on the Company in this matter.

ii) Cane societies are in dispute with the State Government of Uttar Pradesh with regard to retrospective partial waiver of society commission payable by the sugar mills for the crushing seasons 2012-13, 2014-15 and 2015-16. Company was the beneficiary of such waiver. The matter is yet to be finalised and pending before Supreme Court for adjudication. Based on the legal review of the facts of the case and considering past practice, no liability is likely to crystallise on the Company in this matter.

### Summary of Related party transactions

(₹ in Crore)

Nature of Transaction	Related parties with whom transactions have taken place	For Financial Year ended March 31, 2022	For the period from October 26, 2020 to March 31, 2021
Details of the Party wise transactions	<p><b><u>Loan Taken</u></b> Dhampur Sugar Mills Limited</p> <p><b><u>Sale of Assets</u></b> Dhampur Sugar Mills Limited</p> <p><b><u>Rent Paid</u></b> Shudh Edible Products Private Limited</p> <p><b><u>Remuneration to Directors, KMP and their Relatives</u></b> Mr. Nalin Gupta Mr. Mukul Sharma Relative of KMP</p> <p><b><u>Expenses paid During the year</u></b> J.P &amp; Sons</p>	<p><b>0.05</b> 0.05</p> <p><b>15.58</b> 15.58</p> <p><b>2.40</b> 2.40</p> <p><b>0.80</b> 0.40 0.35 0.04</p> <p><b>8.50</b> 8.50</p>	NIL
Details of the Party wise balances	<p><b><u>Investments</u></b> Dhampur International Pte Limited (Wholly Owned Subsidiary)</p> <p><b><u>Provision for Impaired of Investment</u></b> Dhampur International Pte Limited</p> <p><b><u>Payables</u></b></p>	<p><b>36.93</b> 36.93</p> <p><b>30.31</b> 30.31</p> <p><b>3.98</b></p>	NIL

	Shudh Edible Products Private Limited	0.06	
	Dhampur International Pte Limited	-	
	J.P & Sons	3.33	
	Vijay Kumar Goel	0.21	
	Gautam Goel	0.35	
	Sandeep Sharma	0.02	
	Nalin Gupta	#	
	<b><u>Receivables</u></b>	-	
	Dhampur International Pte Limited	-	
	<b><u>Security Deposits Receivables</u></b>	<b>1.20</b>	
	Shudh Edible Products Private Limited	1.20	

### Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group or our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during the period of 6 months immediately preceding the date of this Information Memorandum.

### Weighted average price at which the Equity Shares were acquired by the Promoters and Promoter Group in the one year preceding the date of this Information Memorandum

The weighted average price at which Equity Shares were acquired by the Promoters and Promoter Group in the 1 year preceding the date of this Information Memorandum is:

Name	No. of Equity Shares Acquired*	Weighted average price per Equity Share (in INR)
Mr. Vijay Kumar Goel	3,49,116	Not Applicable
Mr. Ashok Kumar Goel	55,384	Not Applicable
Mr. Gaurav Goel	20,16,904	Not Applicable
Mr. Gautam Goel	42,42,339	Not Applicable
Ms. Deepa Goel	23,41,936	Not Applicable
Ms. Vinita Goel	25,050	Not Applicable
Ms. Ishira Goel	1,05,525	Not Applicable
Ms. Bindu Vashist Goel	76,350	Not Applicable
Ms. Aparna Jalan	46,100	Not Applicable

Ms. Ritu Sanghi	7,500	Not Applicable
Ms. Shefali Poddar	31,760	Not Applicable
Ms. Asha Kumari Swaroop	4	Not Applicable
Ujjwal Rural Services Limited	1,25,000	Not Applicable
Goel Investments Limited	1,06,55,515	Not Applicable
Shudh Edible Products Private Limited	42,99,680	Not Applicable
Saraswati Properties Limited	32,66,758	Not Applicable
Sonitron Limited	49,40,716	Not Applicable

*\*issued pursuant to the Scheme*

#### **Average cost of acquisition**

Not applicable

#### **Issue of equity shares for consideration other than cash in the last 1 year**

Our Company has not issued any Equity Shares for consideration other than cash in the 1 year preceding the date of this Information Memorandum, except as set forth below:

<b>Date of allotment</b>	<b>No. of Equity Shares allotted</b>	<b>Face Value per Equity Share (INR)</b>	<b>Premium per Equity Share (INR)</b>	<b>Nature of Allotment</b>	<b>Nature of consideration</b>
May 23, 2022	6,63,87,590	10	NIL	Allotment Pursuant to the Scheme	Pursuant to the Scheme

#### **Spilt or consolidation**

Our Company has not undertaken split or consolidation of the Equity Shares in the 1 year preceding the date of this Information Memorandum

## SECTION III – RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated our Company is not in a position to specify or quantify the financial or other risks mentioned herein. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 38, page 36, page 144 and page 83 respectively, as well as the other financial and statistical information contained in this Information Memorandum.*

*Wherever used in this section the terms "we", "us" "our" shall mean **Dhampur Bio Organics Limited**, unless otherwise stated.*

### RISKS RELATING TO OUR COMPANY'S BUSINESS

#### INTERNAL RISK FACTORS

***1. The effect of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.***

Due to the unpredictable and fast changing COVID-19 situation, it is very difficult to assess the future impact of COVID-19 on business operations, however entire economy is waiting for positive turnaround after overcoming this pandemic situation.

The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition.

During the lockdown in years 2020 and 2021, the Demerged Undertaking was provided permission to operate its manufacturing units. There was no material impact on the business of Demerged Undertaking and it does not foresee any material impact on the operational results and financial health as sugar which the Company is manufacturing is an essential commodity.

***2. Availability of sugarcane for our sugar mills is predominantly dependent upon the cultivation of sugarcane. Any shortfall in cultivation of sugarcane by the farmers may adversely impact the raw material supply to our mills thereby adversely impacting our production and results of operation.***

If the farmers cultivate other crops, or otherwise limit their cultivation of sugarcane, we may have a shortage of raw material. Any reduction in the supply of sugarcane may adversely affect our operations and financial condition.

***3. Our sugar recovery rates depend on how efficiently we process sugarcane delivered to us.***

High sucrose levels in sugarcane results in better sugar recovery rates. Sucrose levels are the highest immediately after harvesting and decrease with the passage of time. Specifically, a delay of more than 24 hours in crushing the sugarcane results in a reduction in the sucrose level of such sugarcane, decreasing our sugar recovery rate. Accordingly, our sugar recovery rates depend upon how efficiently we process the sugarcane delivered to us. Any delay in crushing the sugarcane delivered to us, or any adverse change in the expected volume or delivery schedule of sugarcane being delivered to us, results in reduction of sucrose content of the sugarcane supplied to us and as such, adversely affects our results of operations.

***4. Our power generation business is substantially bagasse based and our chemicals production business is substantially molasses-based, each of which is derived from sugarcane. Any constraint on the availability of sugarcane may adversely affect our power generation and chemicals business.***

The by-products of sugar production are bagasse and molasses. Our power generation business is primarily bagasse based and our chemicals production business is primarily molasses based. Since our access to external supply of raw material is dependent on prevailing sugar cycles, any constraint in the availability of sugarcane may affect the production and availability of bagasse and molasses. This may affect the current or future business of our power generation plants and/or chemical production units / distilleries, and as such adversely affect our financial condition and results of operations.

***5. Our success depends largely on our senior management and our ability to attract and retain our key personnel. Any significant changes in the key managerial personnel, may affect the performance of our company.***

Our success is substantially dependent on the availability of skilled manpower for operations. Any loss or interruption of the services of the key senior personnel, or the inability to recruit sufficient qualified personnel, could adversely affect the business. In addition, sugar, alcohol and power production and marketing thereof processes depend upon highly skilled employees. The business requires considerable resources for recruiting and developing such individuals and encouraging such individuals to remain employed by it. There is an inherent risk related to skilled and specialized manpower. They gain experience working with the Company and need continuous motivation and supervision. There is a risk of specialized manpower leaving the jobs, joining competitors, sharing confidential information etc. There is also the risk of being under-utilized or put in areas where they are unfit.

***6. Sugar and alcohol industry are subject to significant regulatory risks.***

We are subject to environmental regulations and may be exposed to liability as a result of our handling of hazardous materials and potential costs for environmental compliance. We are subject to Indian laws and regulations concerning the discharge of effluent water and solid particulate matter during our manufacturing processes. We are required to obtain certain clearances and authorizations from government authorities for the collection, treatment, storage and disposal of hazardous waste. The Government may take steps towards the adoption of more stringent environmental regulations and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. These regulations can often require us to purchase and install expensive pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment and any violation of these regulations may result in substantial fines, criminal sanctions, revocations of operating permits and/or shutdown of our facilities. Due to the possibility of unanticipated regulatory or

other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, we may need to incur substantial capital expenditures to comply with such new regulations. We cannot assure you that our costs of complying with current and future environmental laws and our liabilities arising from the release of hazardous substances will not adversely affect our business, results of operations or financial condition.

***7. Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material effect on our business.***

We maintain insurance policies in respect of our principal places of business, including our sugar mills, distilleries, co-generation and vehicles. While we believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully or in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

***8. Any loss or break down of operations at any of our manufacturing facilities may have a material effect on our business, financial conditions and results of operations***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We are required to carry out planned shutdowns of our plants for maintenance, statutory inspections and testing. Although precautions are taken to minimize the risk of any significant operational issues at our manufacturing facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

***9. If we fail to comply with environmental laws and regulations or face environmental litigation, our results of operation may be adversely affected***

Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. If, as a result of compliance or non-compliance with any environmental regulations, our unit or the operations of such unit is suspended, we may need to incur costs in complying with regulations, appealing any decision closing our facilities, maintaining production at our existing facilities and continuing to pay labour and other costs which continue even if the facility is closed. As a result, our overall operating expenses may increase, and our profits may decrease.

***10. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

Our future ability to pay dividends will depend on the earnings, financial condition and capital requirements of our Company. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under certain financing arrangements that we

may enter into. In addition, dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements, financing arrangements, results of operations and financial condition.

## **External Risk Factors**

### ***11. The sugar prices in India are impacted by the world sugar production and consumption. The global demand and production may affect the prices for Sugar.***

The increase in production of Sugar in major sugar producing countries like Brazil, Thailand, European Union, USA etc. may create surplus in the global sugar market and may resulted in lowering of the sugar prices. If such surplus phase characterized by a significant excess of global production over consumption continues, we cannot assure of higher realization prices of sugar being produced by us.

### ***12. Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company***

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. We cannot provide any assurance that the process of liberalization will be sustained in future. There could be a slowdown in the pace of economic development. The rate of economic liberalization could change specific laws and policies, foreign investment, currency exchange rates and other matters affecting investing in our securities could change as well. Any adverse change in Government policies relating to the Sugar Industry in general may have an impact on our profitability.

### ***Impact of Regional or International hostilities, terrorist attack or other acts of violence of war***

Regional or international hostilities, terrorist attack or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involve a higher degree of risk and could have an adverse impact on our business and on the market price of our Company's Equity Shares.

### ***Our Company is subject to risk arising from changes in interest rates and banking policy.***

We are dependent on various banks for arranging our working capital requirements, etc. Accordingly, any change in the existing banking policy or increase in interest rates may have an adverse impact on our Company's profitability.

### ***Statutory taxes and other levies may affect our margin in the event of our inability to factor such expense in our selling prices.***

Any increase in taxes and / or levies, or the imposition of new taxes and / or levies in the future, could increase the cost of production / operating expenses. To the extent, our Company is not able to factor such increase in the selling price; it may have a material adverse impact on our business operations and financial conditions.

### ***A slowdown in economic growth in India could cause our business to suffer.***

Substantially, all of our assets are located in India and a substantial portion of our total income originated from India. Consequently, our performance and growth are dependent on the health of the Indian economy. Various factors, such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices, could adversely affect the Indian economy. Any slowdown in the Indian economy may adversely affect our business and financial performance and the price of our Equity Shares.

***If the rate of price inflation in India increases, our business and results of operations may be adversely affected.***

An increase in inflation in India could cause a rise in the price of raw materials and wages, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

***Impact of any disruption in supply of water or other basic infrastructure facilities***

Any disruption in supply of water or other basic infrastructure facilities could adversely affect the business and production process of our Company or subject it to excess cost, which in turn will have an adverse impact on our profitability.

***Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

External factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase our costs and negatively affect our stock price. These geopolitical, social and economic conditions could result in increased volatility in India and worldwide financial markets and economy, and such volatility could constrain our ability to do business, increase our costs and negatively affect our stock price.

***Natural calamities could have a negative impact on the Indian economy and cause the business to suffer.***

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past years. The extent and severity of these natural disasters has an impact on the Indian economy. Any negative impact of natural disasters on the Indian economy could adversely affect the business and the market price of the Equity Shares.

***The market value of the Equity Shares may fluctuate due to the volatility of the securities markets. As such shareholders will bear the risk of fluctuation in the price of Equity Shares***

The securities markets are volatile and stock exchanges have in the past, experienced substantial fluctuations in the prices of listed securities. The stock exchanges have experienced problems, which, if these were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. The governing bodies of the various Indian stock exchanges have from time-to-time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements.

***The Company is operating in a highly regulated market. Policy decision by the Government may not be favorable and that may have an adverse effect over the revenues and profitability.***

Sugar, being an essential commodity, is subject to various restrictions and regulations imposed by the State/Central Government such as the controls over fixation of cane price, distribution and sale of sugar due to the release mechanism. As such the performance of the Company is at par with the industry, which depends upon policies and regulations issued by the Government, semi-government and local authorities.

***13. Our Directors and our Promoters are involved in certain legal and other proceedings. An adverse outcome in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Promoters and some of our companies under same management are involved in certain legal proceedings which are pending at different levels of adjudication before various courts and tribunals. If any of the cases pending are decided or determined against us, our promoter or any of our companies under same management, such decision may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “Outstanding Litigation and other Material Developments” in this Information Memorandum on page 149

***14. The prices we are able to obtain for the sugar that we produce depend largely on prevailing market prices. These market conditions, both domestically and internationally, are beyond our control.***

The wholesale price of sugar has a significant impact on our profits. Like other agricultural commodities, sugar is subject to price fluctuations resulting from weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. In addition, a material amount of total worldwide sugar production is traded on commodity exchanges and is thus subject to speculation, which could affect the price of sugar worldwide. Any prolonged decrease in sugar prices could have a material adverse effect on us and our results of operations.

***15. High cost of raw material and inability to pass it to the consumer may put a pressure on the profit margins.***

We purchase all of the sugarcane that we use in our production of sugar directly from the independent sugarcane growers and sugarcane growers’ societies located in our reserved areas. The state government of Uttar Pradesh, where all our mills are located, annually declares the sugarcane procurement price which is known as the State Advised Price (“SAP”). The SAP is a minimum price we must pay to sugarcane growers for sugarcane. The determination of the SAP is not related to the prevailing market price of sugar and is only loosely related to the quality of sugarcane. Rising SAPs, particularly if sugar prices remain stable or decrease during the same period, may adversely affect our results of operations and financial condition.

As a result, any prolonged decrease in sugar prices could have a material adverse effect on our Company and our results of operations

***16. Sugarcane grown within our reserved areas may be sold to manufacturers of jaggery and khandsari instead of us***

Some of the total sugarcane grown in our reserved areas is diverted to manufacturers of sugarcane-based sweeteners known as jaggery and khandsari, which are forms of crude sugar. If the farmers are able to realize a higher price or better payment terms for sales of their

sugarcane to jaggery and khandsari manufacturers or want to harvest their crop earlier to realize sales of sugarcane sooner than we have scheduled and grow other crops during any part of the sugar season, the farmers may have an incentive to sell the sugarcane to parties other than us. Diversion of sugarcane within our reserved areas to the production of jaggery and khandsari reduces the sugarcane available to us and may adversely affect our financial condition and results of operations.

***17. Our business is dependent on the Sugar cane production during the sugar season***

Sugar industry is an agro-based industry and its main raw material is sugarcane. In any year, if there is a shortfall in sugarcane production on account of adverse climatic conditions, the amount of sugar produced by the sugar mills is affected adversely. Apart from climatic conditions, the sugar cane crop may also be impacted by the occurrence of crop disease. Proper water management through irrigation during the formative stage of the cane is critical to the sucrose content and overall quality of the cane. In case the quality /quantity of cane is affected by any of the aforementioned conditions, we may not be able to optimally utilize our crushing capacity. This will directly affect our profitability.

***18. Adverse weather conditions, crop disease, pest attacks may adversely affect sugarcane crop yields and sugar recovery rates for any given harvest.***

Our sugar production depends on the volume and sucrose content of the sugarcane that is supplied to us. Crop yields and sucrose content depends primarily on the variety of sugarcane grown, the presence of any crop disease and weather conditions such as adequate rainfall and temperature, which vary. Adverse weather conditions have caused crop failures and reduced harvests and resulted in volatility in the sugar and Ethanol industries and consequently in our operating results. Flood, drought or frost can adversely affect the supply and pricing of the agricultural commodities that we sell and use in our business. There can be no assurance that future weather patterns, potential crop disease or the cultivation of certain sugarcane crop varieties will not reduce the amount of sugarcane or sugar that we can recover in any given harvest. Any reduction in the amount of sugar recovered could have a material adverse effect on our results of operations.

**Risks Relating to Our Equity Share**

**1.**Our Equity Shares have never been publicly traded and there has not been an active or liquid market for our Equity Shares. In addition, the price of our Equity Shares may be volatile

**2.**Any future issuance of our Equity Shares may dilute your shareholdings and sales of our Equity Shares by our Promoters may adversely affect the trading price of our Equity Shares

## **SECTION IV – INTRODUCTION**

### **ISSUE DETAILS IN BRIEF**

The National Company Law Tribunal, Allahabad Bench, vide its order dated April 27, 2022 (certified true copy of the order was received on April 29, 2022) has approved the Scheme of Arrangement between Dhampur Sugar Mills Limited (Demerged Company) and Dhampur Bio Organics Limited (Resulting Company) and their respective shareholders and creditors.

Pursuant to the Scheme of Arrangement, the Demerged Undertaking of the Demerged Company is transferred to and vested with our Company. In consideration of the transfer of the undertaking and as per Scheme of Arrangement, 6,63,87,590 Equity Shares of our Company were issued to the equity shareholders of the Demerged Company. The Equity Shares issued pursuant to the Scheme shall be listed and admitted to trading on the BSE and NSE. No Equity Shares are proposed to be sold or offered pursuant to this Information Memorandum.

## GENERAL INFORMATION

Our Company was incorporated as a private limited company under the Companies Act, 2013, in Uttar Pradesh, India, under the name of “RMSD Enterprises Private Limited” pursuant to certificate of incorporation dated October 26, 2020 issued by the Registrar of Companies, Uttar Pradesh. The name of the Company was changed from RMSD Enterprises Private Limited to “Dhampur Bio Organics Private Limited” by a fresh certificate of incorporation pursuant to change of name dated April 21, 2021 issued by the RoC. The Company was later converted into a public limited company having name “**Dhampur Bio Organics Limited**” and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh on April 22, 2021.

**Corporate Identification Number** : U15100UP2020PLC136939

**PAN** : AAKCR5540B  
**Registered Office** : Sugar Mill Compound, Village Asmoli, Sambhal, Moradabad, Uttar Pradesh- 244304  
**Corporate Office** : Second Floor, 201, Okhla Industrial Estate, Phase-III, New Delhi- 110020  
**Telephone** : 011-6905-5200  
**Email** : dbo@dhampur.com  
**Website** : www.dhampur.com

**Address of the Registrar of Companies** : Our Company is registered with the Registrar of Companies, Uttar Pradesh at Kanpur.  
**Registrar of Companies, Kanpur, Uttar Pradesh**  
37/17, Westcott Building, The Mall,  
Kanpur - 208001, Uttar Pradesh  
**Telephone** : 0512-2310443, 2310227, 2310323  
**Email** : roc.kanpur@mca.gov.in

### **Board of Directors:**

The Board of Directors of our Company as on the date of this Information Memorandum are as under:

<b>Sr. No</b>	<b>Name of Directors</b>	<b>DIN</b>	<b>Address</b>	<b>Designation</b>
1	Mr. Vijay Kumar Goel	00075317	46 Friends Colony East, Delhi - 110065	Chairman
2	Mr. Ashwani Kumar Gupta	00108678	First Floor, 8 Munirka Marg, Vasant Vihar-1, South West Delhi - 110057	Vice Chairman
3	Mr. Gautam Goel	00076326	46, Friends Colony East, Delhi - 110065	Managing Director
4	Mr. Sandeep Kumar Sharma	06906510	Dhampur Sugar Mills Limited, Bijnore, Uttar Pradesh - 246761	Whole Time Director

5	Ms. Bindu Vashist Goel	09591778	Present Address: 9 Rhu Cross, #08-04 Costa Rhu, Singapore- 437436  Permanent Address: 46, Friends Colony East, Delhi - 110065	Non-Executive Director
6	Samir Thukral	00203124	B-58, 3 <sup>rd</sup> Floor, Paschimi Marg, Vasant Vihar, South West Delhi, Delhi- 110057	Independent Director
7	Mr. Kishor Shah	00193288	701 Casa Grande, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013	Independent Director
8	Ms. Ruchika Mehra Kothari	09151323	2/A Gulmerg, Nepean sea road, Mumbai, Maharashtra- 400006	Independent Director
9	Vishal Saluja	07145715	2655 Broadway Street, San Francisco, CA 94115	Independent Director

**Company Secretary & Compliance Officer:**

**Name** : Ashu Rawat  
**Address** : 311, Sector 1, Type-III, Sadiq Nagar, New Delhi-110049  
**Telephone** : 011-6905-5200  
**E-mail** : ashurawat@dhampur.com

**Legal Advisor:**

**Name** : Cyril Amarchand Mangaldas  
**Address** : Peninsula Chambers, Peninsula Corporate Park,  
Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400 013  
**Telephone** : +91 20 2496 4455

**Bankers to Company:**

**Name** : Punjab National Bank  
**Address** : Mill Campus, Asmoli, Sambhal (Bhim Nagar) U.P.-  
244304  
**Telephone** : 08354000433  
**E-mail** : Bo7324@pnb.co.in

**Statutory Auditors:**

**Name** : Mittal Gupta & Co, Chartered Accountants  
**Address** : 14- Ratan Mahal, 15/197- Civil Lines, Kanpur – 208001  
**Telephone** : 0512-2303234/2303235  
**Peer Review Number** : 013960  
**Registration number** : 01874C  
**Email Id** : mgco@mgcoca.in

**Registrar and Share Transfer Agent:**

**Name** : Alankit Assignments Limited  
**Address** : 205-208 Anarkali Complex, Jhandewalan Extension,  
New Delhi – 110055  
**Telephone** : 011 4254 1234  
**E-mail** : rta@alankit.com  
**Website** : www.alankit.com  
**Contact Person** : Mr. J. K. Singla  
**SEBI Registration** : INR000002532

**Changes in auditors**

The members at the first AGM held on June 28, 2021 appointed M/s Mittal Gupta & Company, Chartered Accountants, Kanpur (Firm Registration No. 01874C) as Statutory Auditors of our Company for a period of 5 years. Since then, there is no change in the auditors of the Company.

**Eligibility Criteria**

There being no initial public offering or rights issue, the eligibility criteria of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable. SEBI has vide its circular, SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (“**SEBI Master Circular**”) consolidating SEBI Circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019 and November 3, 2020 (collectively, the “**SEBI Circulars**”) has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of clause (b) to sub-rule (2) of Rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957. Our Company has submitted the Information Memorandum, containing information to BSE and NSE and making disclosures of such information available in line with disclosure requirement to public through their websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Our Company has made the said Information Memorandum available on its website [www.dhampur.com](http://www.dhampur.com). Our Company shall publish an advertisement in the newspapers before commencement of trading as per the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021.

**Prohibition by SEBI**

Our Company, its Promoter & Promoter Group, its Directors, and other companies promoted by Promoter & Promoter Group or Companies under same management and natural persons behind corporate Promoter & Promoter Group and companies with which the directors of our Company are associated, as directors or promoters, are not prohibited from accessing the capital market under any order or directions passed by SEBI.

**General Disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available

by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

## CAPITAL STRUCTURE

### SHARE CAPITAL

#### A. Share Capital of our company prior to Scheme of Arrangement

<b>Authorised Share Capital</b>	<b>Amount (Rs)</b>
1,00,000 Equity Shares of Rs. 10 each	10,00,000
<b>Total</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid-up Share capital</b>	<b>Amount (Rs)</b>
10,000 shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

#### B. Share Capital of our Company Post Scheme of Arrangement

<b>Authorised Share Capital</b>	<b>Amount (Rs)</b>
9,16,00,000 Equity Shares of Rs. 10 each	91,60,00,000
<b>Total</b>	<b>91,60,00,000</b>
<b>Issued, Subscribed and Paid-up Share capital</b>	<b>Amount (Rs)</b>
6,63,87,590 shares of Rs. 10 each	66,38,75,900
<b>Total</b>	<b>66,38,75,900</b>

### Notes to the Capital Structure

#### 1. Details of changes in the Authorised Share Capital of our Company

Sr. No	No of Equity Shares	Face Value (in Rs)	Authorized Share Capital (in Rs.)	Date of Special resolution, if any
1	1,00,000	10	10,00,000	Incorporation
2	9,16,00,000	10	91,60,00,000	Pursuant to Para 25 of the Scheme of Arrangement

#### 2. Equity share capital history of our Company

Sr. No	Date of Allotment	Name of Allottee	No. of Shares Allotted	Face Value of Shares	Issue Price	Form of Consideration	Nature of Allotment
1	October 26, 2020	Refer Note 1	10,000	10	10	Cash	Subscription to the Memorandum of Association
2	May 23, 2022	Refer Note 2	6,63,87,590	10	Not Applicable	Pursuant to the Scheme	Allotment Pursuant to the

							Scheme sanctioned vide NCLT order dated 27 <sup>th</sup> April, 2022 (certified true copy of the order was received on 29 <sup>th</sup> April, 2022)
3	May 23, 2022	Refer Note 3	(10,000)	10	Not Applicable	Pursuant to the Scheme	Cancellation of initial share capital pursuant to the Scheme sanctioned vide NCLT order dated 27 <sup>th</sup> April, 2022 (certified true copy of the order was received on 29 <sup>th</sup> April, 2022)

**Note 1** - Sumit Gupta and. Rekha Gupta were subscribers to the Memorandum and 5,000 shares each were held by them. Further on March 31, 2021, 10,000 Equity Shares were transferred from Sumit Gupta and Rekha Gupta to Dhampur Sugar Mills Limited (DSML) and its Nominees in which, DSML held 9,400 equity shares in its own name and remaining 600 equity shares were held through its 6 nominees holding 100 shares each.

**Note 2** -Allotment to the shareholders of DSML whose name is recorded in the register of members and records of depository as members of the Demerged Company on the record date.

**Note 3** - Upon the Scheme becoming effective, the issued, subscribed and paid-up capital of our Company consisting of 10,000 Equity Shares aggregating to Rs.1,00,000 was cancelled.

3. Other than the allotment of Equity Shares to the Shareholders of the Demerged Company as on the Record date i.e. May 17, 2022, our Company has not allotted any Equity Shares for consideration other than cash.

#### 4. Shareholding pattern of our Company prior and post Scheme

a. The shareholding pattern of our Company prior to the allotment of Equity Shares under the Scheme is as under:

Summary Statement Holding of Specified Securities																		
Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants)(X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in de	
								No of Voting Rights					Total as a % of (A+B+C)	No.	As a % of total Shares held	No.		As a % of total Shares held
								Class eg: X	Class eg: Y	Total								

							(A+B+C2)						capital) (XI)= (VII)+(X) As a % of (A+B+C2)		d (b)	d (b)	ma ter iali ze d for m (X IV )
(A)	Promoter & Promoter Group	1	10,000	0	0	10,000	100	10,000	0	10,000	100	0	100	0	0	0	10,000
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	Non-Promoter - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>1</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>0</b>	<b>10,000</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>

The entire share capital was held by Dhampur Sugar Mills Limited and 6 individual shareholders as nominee of Dhampur Sugar Mills Limited

- b. The shareholding pattern of our Company post allotment of Equity Shares under the Scheme is as under:

The table below presents the shareholding pattern of our Company (post scheme) as on the date of this Draft Information Memorandum:

Summary Statement Holding of Specified Securities																		
Cate gory (I)	Cate gory of share holde r (II)	Nos. of share holde rs (III)	No. of full pai d up equi ty sha res hel d (IV)	N o. of P ar tl y pai d - u p equi ty sh ar es hel d (V)	No. of shar es und erlyi ng Dep osito ry Rec eipts (VI)	Tot al nos . sha res hel d (VI I) = (IV) ) + (V) ) + (VI )	Share holdi ng as a % of total no. of share s (calcu lated as per SCR R. 1957)  (VIII) As a % of (A+B +C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shar es Unde rlyin g Outst andi ng conv ertibl e secur ities (incl udin g Warr ants) (X)	Share holdi ng , as a % assu ming full conve rsion of conve rtible securi ties ( as a perce ntage of dilute d share capit al) (XI) = (VII) + (X) As a % of (A+B +C2)	Numb er of Locke d in shares (XII)		Number of Shares pledge d or otherwi se encumb ered (XIII)		Numb er of equity shares held in demat erialize d form (XIV)
								No of Voting Rights			Tot al as a % of (A +B +C )			N o . a % of to tal Sh ar es hel d (b )	As a % of to tal Sh ar es hel d (b )			
								Class eg: X	C la ss e g : Y	Tot al								
(A)	Promo ter & Promo ter Group	17	3,25, 85,63 7	0	0	3,25,8 5,637	49.08	3,2 5,8 5,6 37	0	325 856 37	49. 08	0	49.08	0	0	0	0	3,25,8 5,637

(B)	Public	62,06 5	3,3 8,0 1,9 53	0	0	3,3 8,0 1,9 53	50.92	3,3 8,0 1,9 53	0	3,3 8,0 1,9 53	50.92	0	50.92	0	0	0	0	3,38,0 1,953
(C)	Non Promo ter- Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C1)	Shares underl ying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C2)	Shares held by Emplo yee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total</b>	62,08 2	6,6 3,8 7,5 90	0	0	6,6 3,8 7,5 90	100	6,6 3,8 7,5 90	0	6,6 3,8 7,5 90	100	0	100	0	0	0	0	6,63,8 7,590

## 5. Major Shareholders of our Company two years prior to date of this Information Memorandum:

Our Company was incorporated on October 26, 2020 and hence, it has not yet completed its 2 years of existence as on the date of this Information Memorandum.

## 6. Major Shareholders of our Company 1 year prior to date of this Information Memorandum:

Sr. No	Name of the Shareholder	No of Equity Shares held	% to the total Equity Share Capital
1	Dhampur Sugar Mills Limited	10,000*	100%
	<b>Total</b>	<b>10,000</b>	<b>100%</b>

*\*The entire share capital was held by Dhampur Sugar Mills Limited and 6 individual shareholders as nominee of Dhampur Sugar Mills Limited.*

## 7. Major Shareholders of our Company as on the date of this Information Memorandum:

The details of the Shareholders holding 1% or more of the paid-up share capital of the Company, as on the date of this Information Memorandum is as below:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	% to the total Equity Share Capital
1.	Goel Investments Limited	1,06,55,515	16.05
2.	Mr. Anil Kumar Goel	6000000	9.038
3.	Sonitron Limited	49,40,716	7.44
4.	Shudh Edible Products Private Limited	42,99,680	6.47
5.	Mr. Gautam Goel	42,42,339	6.39
6.	Saraswati Properties Limited	32,66,758	4.92
7.	Ms. Seema Goel	23,22,000	3.50
8.	Ms. Deepa Goel	23,41,936	3.52
9.	Ms. Gaurav Goel	20,16,904	3.04

10.	Acadian Emerging Markets Small Cap Equity Fund LLC	874383	1.32
	<b>Total</b>	<b>40960231</b>	<b>61.70</b>

## 8. Shareholding of our Promoters and Promoter Group:

The Promoters and Promoter Group of the Company have been allotted Equity Shares pursuant to the Scheme. Their details are set forth below:

Name of the Promoter	Nature of the Issue	Date of Allotment	No. of Equity Shares (Fully Paid up)	Face Value per Equity Share (INR)	Issue Price/ Transfer Price per Equity Share (INR)	Nature of Consideration	Percentage of the Pre Scheme Capital	Percentage of the Post Scheme Capital
<b>Promoters</b>								
Vijay Kumar Goel	Pursuant to the Scheme		3,49,116	10	N. A.	Pursuant to the Scheme	0	0.53
Ashok Kumar Goel	Pursuant to the Scheme		55,384	10	N. A.	Pursuant to the Scheme	0	0.08
Gaurav Goel	Pursuant to the Scheme		20,16,904	10	N. A.	Pursuant to the Scheme	0	3.04
Gautam Goel	Pursuant to the Scheme		42,42,339	10	N. A.	Pursuant to the Scheme	0	6.39
Total			6663743					10.04
<b>Promoter Group</b>								
Deepa Goel	Pursuant to the Scheme		23,41,936	10	N. A.	Pursuant to the Scheme	0	3.53
Vinita Goel	Pursuant to the Scheme		25,050	10	N. A.	Pursuant to the Scheme	0	0.04
Ishira Goel	Pursuant to the Scheme		1,05,525	10	N. A.	Pursuant to the Scheme	0	0.16
Bindu Vashist Goel	Pursuant to the Scheme		76,350	10	N. A.	Pursuant to the Scheme	0	0.11
Aparna Jalan	Pursuant to the Scheme		46,100	10	N. A.	Pursuant to the Scheme	0	0.07
Ritu Sanghi	Pursuant to the Scheme		7,500	10	N. A.	Pursuant to the Scheme	0	0.01
Shefali Poddar	Pursuant to the Scheme		31,760	10	N. A.	Pursuant to the Scheme	0	0.04
Asha Kumari Swaroop	Pursuant to the Scheme		4	10	N. A.	Pursuant to the Scheme	0	0.00
Ujjwal Rural Services Limited	Pursuant to the Scheme		1,25,000	10	N. A.	Pursuant to the Scheme	0	0.19

Goel Investments Limited	Pursuant to the Scheme		1,06,55,515	10	N. A.	Pursuant to the Scheme	0	16.05
Shudh Edible Products Private Limited	Pursuant to the Scheme		42,99,680	10	N. A.	Pursuant to the Scheme	0	6.48
Saraswati Properties Limited	Pursuant to the Scheme		32,66,758	10	N. A.	Pursuant to the Scheme	0	4.92
Sonitron Limited	Pursuant to the Scheme		49,40,716	10	N. A.	Pursuant to the Scheme	0	7.44
Total			25921894					39.04

9. All of the Equity Shares held by our Promoters are fully paid up and none of such Equity Shares have been pledged in any manner. Further, all Equity shares held by our Promoters are in dematerialized form. Prior to the allotment of Equity Shares under the Scheme, the Promoters were not holding any Equity Shares in the Company.

10. Our Company has 66752 Equity Shareholders as on date of filing of this Information Memorandum.

**11. Details of shareholding of directors of our Promoter and Promoter Group as on the date of this Information Memorandum is as under:**

Sr. No	Name of Shareholder	Number of Equity Shares held	% to the total Equity Share Capital
1.	Mr. Gautam Goel	42,42,339	6.39
2.	Mr. Vijay Kumar Goel	3,49,116	0.53
3.	Ms. Bindu Vashist Goel	76350	0.11

12. The Promoter, Promoter Group, directors of our Promoter and Promoter Group, the Directors and their immediate relatives have not purchased or sold or financed, directly or indirectly, purchase of equity shares of the Company within six months immediately preceding the date of this Information Memorandum.

13. There are/have been no financing arrangements whereby any member of our Promoter Group and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company in the six months immediately preceding the date of filing this Information Memorandum

14. The Company, the Directors or Promoter and Promoter Group have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.

15. Equity Shares being issued in the Scheme are fully paid up at the time of allotment.

**16. Details of Equity Shares held by our Directors and Key Managerial Personnel**

Except as stated below, there are no other Directors and KMP who hold Equity Shares in our Company as on the date of this Information Memorandum:

<b>S.No.</b>	<b>Name of Director</b>	<b>Number of Shares</b>
1	Mr. Vijay Kumar Goel	3,49,116
2	Mr. Gautam Goel	42,42,339
3	Ms. Bindu Vashist Goel	76,350
4	Ms. Sandeep Kumar Sharma	755
5	Mr. Nalin Kumar Gupta	1,126
	<b>Total</b>	<b>46,69,686</b>

17. Our Company has no employee stock option scheme since incorporation.
18. Except, the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been issued pursuant to a scheme approved under Sections 230 to 232 of the Companies Act, 2013.
19. There shall be only one denomination of Equity Shares of our Company, subject to applicable regulations. Our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.
20. Our Company has not issued any Equity Shares out of its revaluation reserves.
21. There shall be no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.
22. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as of the date of filing this Information Memorandum.
23. At least 25% of the post-scheme paid up share capital of our Company comprises of Equity Shares allotted to the public shareholders of our Company.

## SECTION V – ABOUT US

### INDUSTRY OVERVIEW

Global sugar production for the 2021-22 is estimated at 174 million tonnes against estimated sugar production of 169 million tonnes last year. Global consumption of sugar is estimated to be 173.8 million Tonnes, in comparison to 171 million tonnes (estimated) in FY 2020-21, with estimated surplus of 0.24 million tonnes at the end of 2021-22. This could be attributed to the increasing demand in markets such as India, China, Indonesia, and Iran and is estimated to bring a decline in stocks despite a rebound in output. Moreover, exports have witnessed a sharp increase due to the increase in supplies.

Brazil continued to contribute major part towards world sugar exports and to divert significant part of its sugar towards ethanol. With historical high levels of sugar production by India, India crossed Brazil in sugar output. China continues to produce lower sugar with 9.70 million tonnes (estimated) in 2021-22 against estimated demand of 15.3 million tonnes. Closing stock of sugar at the end of 2021-22 is estimated at 95.5 million tonnes at 96.5 million tonnes last year.

#### Indian Sugar Industry Overview

The sugar mills in India are expected to produce a total of 35.8 Million Tonnes of sugar in the sugar season 2021-22, 14.7% more when compared to 31.2 million Tonnes produced during the same period in the 2020-21 season, whereas sugarcane consumption is pegged at 27.2 Million Tonnes. This growth was accounted mainly by the high availability of sugarcane in the country. In FY 2021-22, 522 sugar mills were involved in crushing operations throughout the country, compared to 506 mills in the previous season. Around 3.5 Million Tonnes sugar diverted towards ethanol production. It is estimated that a larger quantity of cane juice / syrup and B-molasses will be diverted to ethanol with higher availability of sugarcane and surplus sugar production. India is expected to retain its position as the largest consumer and second largest producer of sugar in the world. Over the last 2 years, India has reached a new production historically high level above consumption. The fixing of sugarcane prices by the government to support farmer incomes, coupled with the fixed minimum domestic sugar prices and remunerative ethanol blending programme, catalysed the country's production to reach new benchmarks. The sugar industry supports the rural population significantly in India mainly in Uttar Pradesh, Punjab, Maharashtra, Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, and Tamil Nadu.

India is expected to retain its position as the largest consumer and second largest producer of sugar in the world. Over the last 2 years, India has reached a new production threshold level above consumption. The fixing of sugarcane prices by the government to support farmer incomes, coupled with the fixed minimum domestic sugar prices, catalysed the country's production to reach new benchmarks. The sugar industry supports around 12% of the rural population in India in 9 states, namely Punjab, Uttar Pradesh, Maharashtra, Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, and Tamil Nadu.

<b>Sugar Balance Sheet, F.Y. 2021-22</b>	<b>(in Million Tonnes)</b>
Opening stock	8.2
Estimated production during sugar season 2021-22	35.8
Sugar availability	44.0
Estimated domestic consumption	27.5
Targeted exports during sugar season 2021-22	10
Closing stock	6.5

**Sugar opening stock, production, consumption and closing stock in India over the years (in Million Tonnes)**

Year	Opening Balance	Production	Consumption	Closing Balance
2011-12	5.85	26.3	22.6	6.60
2012-13	6.60	25.1	22.8	9.3
2013-14	9.3	24.4	24.2	7.47
2014-15	7.47	28.3	25.6	9.08
2015-16	9.08	25.1	24.8	7.75
2016-17	7.75	20.3	24.5	3.88
2017-18	3.38	32.5	25.4	10.72
2018-19	10.72	33.16	26	14.5
2019-20	14.5	27.4	25.3	10.7
2020-21	10.7	31.2	26.5	8.2
2021-22	8.2	35.8 (E)	27.5 (E)	6.5 (E)

(E): Estimated

**Performance of major sugar producing states in India in Sugar Season 2021-22**

State wise Sugar Production in India till 31<sup>st</sup> May 2022 against production in Sugar Season 20-21 is given as under:-

(Million tonnes)		
State	Sugar Season 21-22 (till 31 <sup>st</sup> May)	Sugar Season 20-21
Uttar Pradesh	10.25	11.06
Maharashtra	13.69	10.64
Karnataka	5.82	4.47
Tamil Nadu	0.92	0.88
Gujrat	1.21	1.05
Other States	3.28	3.08
Total	35.17	31.18

Uttar Pradesh and Maharashtra are two leading sugar producing states, producing around 70% of total sugar production in India.

Uttar Pradesh has already produced 10.25 million tonnes of sugar till 31<sup>st</sup> May as against 11.06 million tonnes in sugar season 20-21.

Maharashtra has produced 29% more sugar till 31<sup>st</sup> May 2022 with 13.69 million tonnes of sugar production as against 10.64 million tonnes in last sugar season.

Karnataka and Tamil Nadu have also produced more sugar during this sugar season as depicted in above table.

45 sugar mills are still operating as on 31<sup>st</sup> May 2022.

Sugar Exports from India is expected to cross 10 million tonnes this sugar year as against 7.2 million tonnes last

## **OUR BUSINESS**

The business of the Company is to carry out the dealing and in manufacturing of sugar, power and industrial alcohol, ethanol, chemicals and potable alcohol.

As on date of filing this Information Memorandum, the units of the Company have following operational capacities:-

- (i) Asmoli unit situated at Asmoli, district Sambhal (Uttar Pradesh), including the sugar manufacturing plant having capacity of 9,000 tonnes crushing per day of sugarcane, 2,50,000 litres of distillery per day including ethanol etc. and 43.5 megawatts co-generation of power;
- (ii) Mansurpur unit situated at Mansurpur, district Muzaffarnagar (Uttar Pradesh), including the sugar manufacturing plant having capacity of 8,000 tonnes crushing per day of sugarcane and 33 megawatts co-generation of power; and
- (iii) Meerganj unit situated at Meerganj, district Bareilly (Uttar Pradesh) including the sugar manufacturing plant having capacity of 5,000 tonnes crushing per day of sugarcane and 19 megawatts co-generation of power.

## KEY INDUSTRY-REGULATIONS

*The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Set forth below are the significant legislations and regulations that are applicable to the Company:*

### **1. Employee benefit legislations**

#### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "PF Act")**

The PF Act provides for payment of provident funds for employee.

#### **Employees' State Insurance Act, 1948 (the "ESI Act")**

The ESI Act provides for certain benefits to employees in case of sickness, maternity and 'employment injury' to make provision for certain other matters in relation thereto.

#### **Minimum Wages Act, 1948 (the "Minimum Wages Act")**

The Minimum Wages Act provides for fixation of minimum rates of wages in certain employments.

#### **Payment of Gratuity Act, 1972 (the "Gratuity Act")**

The Gratuity Act provides for a scheme for the payment of gratuity to employees engaged in inter alia in factories, and other establishments and for matters connected therewith.

#### **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH")**

The POSH provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for the matters connected therewith.

#### **The Payment of Bonus Act, 1965**

This act applies to all factories and every other establishments, which employs 20 or more workmen. The Payment of Bonus Act, 1965 provides for a minimum bonus of 8.33% of wages.

#### **The Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 regulates payment of wages to employees (direct and indirect). This act is intended to be a remedy against unauthorized deductions made by employer and/or unjustified delay in payment of wages.

#### **The Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 protects the employment of women during the time of her maternity and entitles her of a 'maternity benefit' - i.e., full paid absence from work - to take care for her child.

#### **The Child Labour (Prohibition and Regulation) Act, 1986**

The Child Labour (Prohibition & Regulation) Act, 1986 aims at prohibiting engagement of children aged below 14 years old in certain hazardous occupations and processes as well as

regulating the conditions of services of such children engaged in non-hazardous occupations and processes.

#### **The Employees' Compensation Act, 1923**

This act provides for payment of compensation to workmen (or their dependants) in case of personal injury caused by accident or certain occupational diseases arising out of and in the course of employment and resulting in disablement or death.

#### **The Apprentices Act, 1961**

This act provides for practical training to technically qualified persons in various trades.

#### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This act seeks to regulate the employment of inter-state migrant workmen and to provide for their conditions of service and for matters connected therewith.

## **2. Environmental Legislations**

#### **The Environment (Protection) Act, 1986 (the “EP Act”)**

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take measures to protect and improve the environment such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

#### **Water Prevention and Control of Pollution Act, 1974 (the “Water Act”)**

The Water Act was enacted to control and prevent pollution and for maintaining or restoring of wholesomeness of water in the country and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board (“SPCB”). The SPCBs are vested with diverse powers to deal with water and air pollution, have been established at the central level and in each state. The SPCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders (renewed annually) from the SPCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down.

#### **Air Prevention and Control of Pollution Act, 1981 (the “Air Act”)**

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialized piece of legislation, which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant SPCB, establish or operate any industrial plant, which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

### **Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 (the “Hazardous Wastes Rules”)**

Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste.

### **Public Liability Insurance Act, 1991 (“PLI Act”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

## **3. Legislations on Manufacturing and Operations**

### **The Factories Act, 1948**

The Factories Act applies to any ‘factory’ which on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories, registration and licensing. The occupier of every factory is required to ensure the health, safety and welfare of all the workers at the factory premises. The occupier is also required to ensure: (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision safe working conditions in the factory premises.

### **Industrial Disputes Act, 1947 (“ID Act”)**

The ID Act makes provision for the investigation and settlement of industrial disputes, and for certain other purposes.

### **The Contract Labour (Regulation and Abolition) Act, 1970**

This act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances and for matters connected therewith.

### **The Industrial Employment (Standing Orders) Act, 1946**

This act is to require employers in industrial establishments to formally define conditions of employment under them and submit standing orders to certifying authority for its certification.

### **Standing Order covering the conditions of employment of workmen in Vacuum Pan Sugar Factories in U.P.**

### **UP Industrial Disputes Act, 1947**

This act to provide for powers to prevent strikes and lock-outs, to settle industrial disputes and for other incidental matters.

### **U.P. Sugar Wage Board (Constituted under U.P. Industrial Disputes Act, 1947)**

## **4. Tax Legislations**

### **Goods & Services Tax Act, 2017 (the “GST Law”)**

GST law imposes tax on sale of goods or services, and comprises of (i) Central Goods and Services Tax Act, 2017 (ii) State Goods and Services Tax Act, 2017 as notified by respective States, (iii) Union Territory Goods and Services Tax Act, 2017, (iv) Integrated Goods and Services Tax Act, 2017 including Integrated Goods and Services Tax (Extension to Jammu and Kashmir Act, 2017), (v) Goods and Services Tax (Compensation to States) Act, 2017 (hereinafter referred as CGST, SGST, UTGST, IGST and CESS respectively at the GST portal) and (vi) Rules, Notifications, Amendments and Circulars issued under the respective Acts.

### **UP Molasses Control Act, 1964**

This act provides for the control of storage, gradation and price of molasses produced by Sugar Factories in Uttar Pradesh and the regulation of supply and distribution thereof in public interest.

## **5. Sector Specific Laws**

### **The Food Safety and Standards Act, 2006 (“FSS Act”)**

The FSS Act was enacted with a view to consolidate the laws relating to food and to establish the food Safety Standards Authority of India (“FSSAI”) for laying down science-based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, and to ensure availability of safe and wholesome food for human consumption. The FSS Act also sets out requirements for licensing and registration of food businesses, general principles of food safety, responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by the Food Safety Appellate Tribunal. Further, the FSS Rules lays down detailed standards for various food products, which include, among others, specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. For been granted with detailed powers of seizure, sampling, taking extracts, and analysis under its rules. The FSSAI has also framed, among others, the following food safety and standards regulations in relation to various food products and additives.

### **The Essential Commodities Act, 1955**

This Act provides, in the interest of the general public, for the control of the production, supply and distribution of, and trade and commerce, in certain commodities.

### **U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953**

An Act to regulate the supply and purchase of sugarcane required for use in sugar.

### **Sugar Development Fund Act, 1982**

This Act provides for the financing of activities for development of sugar industry and for matters connected therewith or incidental thereto.

### **Export (Quality Control and Inspection) Act, 1963**

This Act provides for the sound development of the export trade of India through quality control and inspection and for matters connected therewith.

### **Agricultural and Processed Food Products Export Act, 1986**

This Act provides for the establishment of an authority for the development and promotion of exports of certain agricultural and processed food products and for matters connected therewith.

**Indian Boilers Act, 1923 (“Boilers Act”)**

The Boilers Act seeks to regulate inter alia, the manufacture, possession and use of boilers. Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by the Inspector so appointed by the relevant State Government. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owner of such boiler. The regulations under the Boilers Act provide for, standard requirements with respect to material, construction, safety and testing of boilers.

**6. Other Legislations**

The Companies Act, 2013, The Indian Contract Act, 1872, Transfer of Property Act, 1882 Competition Act, 2002 Registration Act, 1908, Indian Stamp Act, 1899, Disaster Management Act, 2005 etc

## HISTORY AND CERTAIN CORPORATE MATTERS

### **Brief History of our Company**

Our Company was incorporated as a private limited company under the Companies Act, 2013, in Uttar Pradesh, India, under the name of “RMSD Enterprises Private Limited” pursuant to certificate of incorporation dated October 26, 2020 issued by the Registrar of Companies, Uttar Pradesh. The name of the Company was changed from RMSD Enterprises Private Limited to “Dhampur Bio Organics Private Limited” by a fresh certificate of incorporation pursuant to change of name dated April 21, 2021 issued by the RoC. The Company was later converted into a public limited company having name “**Dhampur Bio Organics Limited**” and a fresh certificate of incorporation was issued by the Registrar of Companies, Uttar Pradesh on April 22, 2021.

### **Registered office of our Company**

The registered office of the Company is Sugar Mill Compound, Village Asmoli, District Sambhal, Moradabad, Uttar Pradesh- 244304.

### **Amendments to the Memorandum of Association**

The Company altered its object clause of Memorandum of Association from carrying on the business of civil contractors, material contract works, civil works for various departments and organizations to carry on the business of manufacturing of sugar and bye-products, production of power and other businesses. The change of object clause was approved by Registrar of Companies, Kanpur vide certificate dated April 20, 2021.

Further, the shareholders approved the change of name of the Company from ‘RMSD Enterprises Private Limited’ to ‘Dhampur Bio Organics Private Limited’ as well as conversion of the Company from ‘Private Limited’ to ‘Public Limited’. Certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Kanpur dated April 21, 2021. Further, Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company was issued by Registrar of Companies, Kanpur dated April 22, 2021.

Also, on April 10, 2021, the shareholders approved shifting of the registered office from ‘No. 25 Gola Chah Rewari Moh H. No 250, Etah, Uttar Pradesh, 207001’ to ‘Sugar Mill Compound, Village Asmoli, District Sambhal, Moradabad, Uttar Pradesh’ - 244304.

### **Main objects as set out in the Memorandum of Association of our Company**

The objects of the Resulting Company are set out in its Memorandum of Association. Some of the relevant objects of the Company are as follows:

- i. To carry on the business of manufacturing, producing, boiling, refining, preparing, growing, brewing, purchasing, marketing, retailing, importing, exporting, selling, trading and generally dealing in bio organic products, sugar, sugar-candy, jaggery, sugar-beet, sugar cane, confectioneries, sugar cubes, sugar syrups, fruits drops, fruits juices, sugar and agro based food products, molasses, syrups, melada, alcohol, chemicals, spirits, country liquor, Indian made foreign liquor, bagasse and all products or by-products, allied products thereof and any other bio, natural and agriculture produce and products thereof.
- ii. To carry on business of manufacturers, importers, exporters, purchasers, sellers, retailers and dealers of all kinds of chemicals, petro-chemicals, ethanol, methanol, methyl, ethyl products, butenol, petroleum CO<sub>2</sub>, fuel oil chemicals, industrial and other alcohols, potash chemicals, acids, alkalis, yeast, drugs, pharmaceuticals, pesticides and weedicides and other allied products for the business of the Company.

- iii. To carry on the business of electricity and power producers, power purchasers, retailers, co-generation of power and accumulate, distribute, transmit and supply in all its branches including but not limited to state grid, power exchange and for the purpose of feeding the plants of the Company and to construct, lay down, establish, fix and carry out all kind of power stations, cables, wires, lines accumulators, and works.
- iv. To carry on the business of fabricating, manufacturing, designing, contractors, engineering, erecting and maintenance of sugar manufacturing plants and machinery, sugar refineries, and other bio-organic product plants, factories and to run workshop(s), consultancy, advising, and to develop and innovate technologies in the related and allied fields and to act as electric engineers, consultants and manufacturers and suppliers of implements and machinery for the purpose of business.
- v. To engage in the business of civil contractors, material contracts works, civil works taking work and civil contracts of government and non-government department and organizations and to act as suppliers, trader, dealer in construction materials and equipment's and other item required in civil works.

#### **Major Events and Milestones of our Company**

The Company has been recently incorporated. As such, there are no significant events in the history of the Company.

#### **Awards, accreditations and recognitions received by our Company**

Our Company has received the following awards, accreditations and recognitions:

- 1. "Dhampure" brand has been selected as the Prestigious Rising Brand of Asia 2021-22 in FMCG Sugar Category by Herald Global And BARC Media.
- 2. Excellence Award from National Sugar Institute, Kanpur on June 8, 2022 to the Company for praiseworthy efforts to boost ethanol production and undertaking diversification.

#### **Shareholders' agreements**

As on the date of this Information Memorandum, there are no subsisting shareholders' agreements in relation to our Company.

#### **Material agreements**

There are no material agreements entered into by our Company, other than in the ordinary course of business of the Company that are subsisting on the date of this Information Memorandum.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

#### **Holding company**

As on the date of this Information Memorandum, we do not have any holding company.

#### **Subsidiaries**

As on the date of this Information Memorandum, the Company has one (1) subsidiary i.e. Dhampur International Pte Ltd.

### ***Other Confirmations***

Injunctions or Restraining Order against Company

Not applicable

There has been no rescheduling of our borrowings from financial institutions/Banks

Our Company does not have any strategic/financial partners.

As on date of filing this Information Memorandum, other than the transfer of demerged undertaking from Dhampur Sugar Mills Limited to our Company pursuant to the Scheme, there has been no acquisition or divestment of business, undertakings, mergers, amalgamations or revaluation of assets. For details of the Scheme, please see “Scheme of Arrangement” on page 47.

## SCHEME OF ARRANGEMENT

### Rationale:

Scheme of Arrangement under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies act, 2013 read with companies (compromises, arrangements and amalgamations) rules, 2016 amongst Dhampur Sugar Mills Limited (“DSML”) and Dhampur Bio Organics Limited (“DBOL”) and their respective shareholders and creditors (“Scheme”).

The Scheme, *inter alia*, envisaged (i) transfer and vesting of the Demerged Units, including the Demerged Undertakings to Dhampur Bio Organics Limited and the consideration thereof; (ii) reduction and cancellation of the existing shares of DBOL; and (iii) listing of the shares to be issued by DBOL; (iv) Inter se transfer of shares between the promoters of DBOL and DSML; and (v) reclassification of promoters of DBOL and DSML.

### A. Circumstances for Demerger

The Demerged Company was established in the year 1933 with a single sugar manufacturing unit at Dhampur, Uttar Pradesh, having a capacity of 300 tonnes of cane crushing per day. Over the years, the Demerged Company has grown manifold under the aegis of Goel families (being the promoters/promoter group of the Demerged Company), supported by other stakeholders, by exponentially expanding its core business of sugar manufacturing as well as commencing various allied businesses.

Over the years the Demerged Company expanded its business by setting up necessary facilities for using by-products of sugar for co-generation of power; it also started supply of power to the state grid. The Demerged Company has also made commercial use of the other by-product, molasses, to manufacture industrial alcohol, ethanol, chemicals and potable alcohol. Once again capitalizing on favourable regulatory developments allowing mix of ethanol in petrol, the Demerged Company set up manufacturing facilities of ethanol having capacities of 400 kilo litres per day in its integrated sugar complexes at Dhampur and Asmoli.

The Demerged Company had evolved from one sugar factory to five independent integrated sugar complexes having aggregate capacity of 45,500 tonnes cane crushing per day along with power co-generation, industrial alcohol, ethanol, chemicals and potable alcohol. Recognizing changing trends in consumer behavior, the Demerged Company had also introduced branded sugar under the brand name ‘Dhampure’. [The growth outlook for both, sugar (branded and unbranded), and ethanol as products looked promising.]

The journey thus far had been under the stewardship of the promoter-manager families presently represented by Mr. Gaurav Goel and Mr. Gautam Goel, jointly who are both Managing Directors.

It was proposed, by way of the Demerger, to segregate the management and ownership of the different integrated manufacturing facilities/units of the Demerged Company for cane crushing, co-generation of power and industrial alcohol, ethanol, chemicals and potable alcohol between the Demerged Company and Resulting Company without splitting any of such standalone manufacturing units. This would enable creation of two separate platforms

for maximum exploitation of each of the above business opportunities through each of the Companies (as defined below), including in particular by streamlining management and administration and enabling the pursuit of diverse and independent strategic aspirations, in a manner that would unlock and maximise value for all shareholders and drives future strategic growth under the overall Dhampur legacy.

**B. Rationale as provided in the Scheme:**

- i. The proposed Demerger will create opportunities for pursuing independent growth and expansion strategies in the segregated businesses and effectively unlock value of each of the manufacturing units. The Demerger also represents an opportunity for the public shareholders to exploit the individual potential of both Companies.
- ii. The segregation will allow each of the Companies to create a strong and distinctive platform with more focused management teams, which will enable greater flexibility to pursue long-term objectives and independent business strategies. The structure will streamline management and provide diversity in decisions regarding the use of respective cash flows for dividends, in capital expenditure or other reinvestment in their respective business, and in being able to explore varied investment opportunities and attract various investors and strategic partners.
- iii. The business units of the Demerged Company are independent, self-sufficient in raw material, and standalone integrated, and would continue to function with efficiency, efficacy and synergies after the Demerger, and transition will be largely seamless.
- iv. The Demerger at this juncture will also create a framework for succession planning including long term leadership of each of the Companies with a view to ensure that the management and ownership model of the Demerged Company is not hindered by fragmentation of ownership and dispersed leadership over time as the promoter-manager families move closer to a generational shift, which may be detrimental to the Demerged Company, business and stakeholders. Instead, following the Demerger, the management of each of the Companies and ownership of the promoter-managers in each of the Companies will remain consolidated within a family group and will be lean and agile. This will also ensure long term stability including through continued maintenance of goodwill and harmony and allow for succession planning in an orderly and strategic manner without any business disruption.
- v. The shareholding of public shareholders following the Demerger will remain the same in both Companies and shareholder value, across Companies, will be preserved and remain unchanged.

**C. Consideration**

Upon the effectiveness of the Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of the Scheme, the Resulting Company shall, issued and allotted 6,63,87,590 equity shares to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date, (1) one equity share of Rs. 10 (Rupees Ten) each of Resulting Company credited as fully paid up for every equity share of Rs. 10 (Rupees Ten) each held by such shareholder in the Demerged Company (“**New Equity Shares**”) such that the shareholding in the Resulting Company on such issuance of shares is the mirror image of the shareholding in the Demerged Company.

**D. The Salient features of the Scheme are as follows:**

- i) The Demerged Company had five manufacturing units situated at: (i) Dhampur district Bijnor, (ii) Mansurpur district Muzaffarnagar, (iii) Rajpura district Sambhal (iv) Asmoli district Sambhal and (v) Meerganj district Bareilly, all in the State of Uttar Pradesh, out of the five units of the Demerged Company, the units situated at (i) Mansurpur, district Muzaffarnagar, (ii) Asmoli, district, Sambhal and (iii) Meerganj, district Bareilly all in states of Uttar Pradesh including all the undertakings, properties, activities, operations, investments, assets and liabilities and businesses related to Demerged Division were transferred to Resulting Company, a wholly owned subsidiary of the Demerged Company on a going concern basis.
- ii) Upon the coming into effect of the Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme and pursuant to Sections 230 to 232 of the Act, all the properties/assets (tangible and intangible assets including goodwill) and liabilities of the Demerged Undertaking were transferred to the Resulting Company at values appearing in the books of accounts of the Demerged Company immediately before the Demerger, in accordance with Section 2(19AA) of the Income Tax Act, 1961 (“IT Act”) and the Demerged Undertaking was, without any further act, instrument or deed, demerged from the Demerged Company and stood transferred to and vested in the Resulting Company as a going concern, for a consideration provided in the Scheme, so as to become the undertaking of the Resulting Company.
- iii) Upon coming into effect of the Scheme and with effect from the Appointed Date, all the debts (whether secured or unsecured), liabilities, duties and obligations in respect of the Demerged Undertaking as on the Appointed Date were, without any further act or deed transferred to and be deemed to be transferred to the Resulting Company to the extent that they were outstanding as on the Effective Date and thereupon became on and from the Appointed Date (or in case of any Transferred Liability (as defined in the Scheme) incurred on a date on or after the Appointed Date, with effect from such date), the liabilities of the Resulting Company, along with any charge, encumbrance, lien, security, relating thereto, on the same terms and conditions as were applicable to the Demerged Company and the Resulting Company was to meet, discharge and satisfy the same to the exclusion of the Demerged Company such that the Demerged Company was in no event be responsible or liable in relation to any such Transferred Liabilities.
- iv) All the licenses, permits, quotas, approvals, incentives subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of Sections 230 to 232 of the Act, were without any further act, instrument or deed, transferred to and vested in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date.
- v) In so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking as on the Appointed Date were concerned, including income tax deductions recognitions and exemptions, the same were, without any further act or

deed, vested with and made available to the Resulting Company on the same terms and conditions on and from the Appointed Date.

- vi) Upon the effectiveness of the Scheme and with effect from the Appointed Date, all the employees of the Demerged Company who were: (i) engaged in or in relation to the Demerged Units as on the Effective Date, and (ii) jointly identified by the Boards of the Companies as being necessary for the proper functioning of the Demerged Units including its future development (“**Transferred Employees**”) were deemed to have become employees of the Resulting Company on the same terms and conditions on which they are engaged by the Demerged Company, with effect from the Appointed Date or their respective joining date, whichever is later, without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The services of all Transferred Employees with the Demerged Company prior to the Demerger was taken into account for the purposes of all benefits to which the Transferred Employees may have been eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Transferred Employees in the existing provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the Transferred Employees who were not eligible to become members of the provident fund maintained by the Resulting Company.
- vii) Upon the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company (including the Transferred Employees) were concerned, such proportion of the investments made in the funds and liabilities which were referable to the Transferred Employees were transferred to the similar funds created by the Resulting Company and were held for their benefit pursuant to the Scheme, or at the sole discretion of the Resulting Company, maintained as separate funds by the Resulting Company. In the event that the Resulting Company did not have its own funds in respect of any of the above, the Resulting Company could, subject to necessary approvals and permissions, continue to contribute to the relevant funds, until such time that the Resulting Company created its own funds, at which time the funds and the investments and contributions pertaining to the Transferred Employees were be transferred to the funds created by the Resulting Company.
- viii) If any suit, cause of actions, appeal, or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, whether civil or criminal, under any Applicable Law (hereinafter referred to as the “**Proceedings**”) by or against the Demerged Company was pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date or which may be instituted thereafter the same was not to be abated, discontinued or be in anyway prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may have been continued, prosecuted, defended, and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made.
- ix) Upon the effectiveness of the Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of the Scheme, the Resulting Company, without any further act or deed, was to issue and allot 6,63,87,590 equity shares to each shareholder of the Demerged Company, whose name

was recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date, 1 equity share of Rs. 10 each of Resulting Company credited as fully paid up for every equity share of Rs. 10 each held by such shareholder in the Demerged Company (“**New Equity Shares**”) such that the shareholding in the Resulting Company on such issuance of shares is the mirror image of the shareholding in the Demerged Company.

- x) The New Equity Shares issued and allotted as provided above were subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and ranked *pari passu* in all respects with the then existing equity shares of the Resulting Company after the Record Date including with respect to dividend, bonus entitlement, rights shares entitlement, voting rights and other corporate benefits.
- xi) The existing share capital of the Resulting Company i.e. 10,000 equity shares of Rs. 10 each stood cancelled. The consequent reduction of share capital of the Resulting Company was to be an integral part of the Scheme and the Demerged Company and the Resulting Company was not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.
- xii) Pursuant to the Scheme of Arrangement, the part of existing Authorized Share Capital of the Demerged Company of Rs. 69,17,40,000 divided into 69,17,400 preference shares of the face value of Rs. 100 each were reclassified to Equity Share Capital of Rs. 69,17,40,000 divided into 6,91,74,000 equity shares of the face value of Rs. 10 each of the Demerged Company. Further to such reclassification, part of the Authorized Share Capital of the Demerged Company i.e. Rs. 91, 50,00,000 divided into 9,15,00,000 equity shares of face value Rs. 10 each stood transferred to and combined with the authorised share capital of Resulting Company.
- xiii) The issue and allotment of the New Equity Shares in terms of the Scheme were deemed to have been carried out as if the procedure laid down under Section 62, Section 42 and any other applicable provisions of the Act have been complied with.
- xiv) The Resulting Company was to apply for and procure the listing of its equity shares on both BSE and NSE which have nationwide terminal, in terms of and in compliance with the SEBI Circulars. The New Equity Shares allotted by the Resulting Company pursuant to the Scheme were to remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- xv) The Resulting Company did not issue/reissue any shares, not covered under the Scheme and there was no change in the shareholding pattern of the Resulting Company between the record date and the date of listing of the equity shares issued under the Scheme, which may have affected the status of approval from the Stock Exchanges.
- xvi) The Demerged Company and the Resulting Company were entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.
- xvii) The value of all assets and liabilities including deferred tax assets and liabilities pertaining to the Demerged Undertaking which ceased to be assets and liabilities of the Demerged

Company were reduced by the Demerged Company at their carrying values on the day immediately preceding the Appointed Date in its books of accounts.

- xviii) The difference i.e. the excess or shortfall, as the case may be, of the value of transferred assets over the Transferred Liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to the Scheme were adjusted first to the Capital Reserves including share premium account and revaluation reserve account and the balance shall be adjusted against revenue reserves of the Demerged Company.
- xix) The utilization of Securities Premium Account referred to in Clause 14.2.4 of the Scheme, being consequential in nature, was proposed to be affected as an integral part of the Scheme. The approval of the shareholders and creditors of the Demerged Company to the Scheme were deemed to be their approval under the provisions of Section 52 read with Section 66 and all other applicable provisions of the Act and the Demerged Company was not be required to undertake any separate proceedings/ compliances for the same. The Sanction Order was in view of explanation to section 66 of the Act, sufficient and did not require a separate order under Section 66(3) of the Act. Accordingly, the Demerged Company was not required to separately comply with Section 52 read with Section 66 or any other provisions of Act. The Demerged Company was not be required to add “and reduced” as a suffix to its name.
- xx) Following the completion of the issuance and allotment of shares by the Resulting Company to all the shareholders of the Demerged Company in accordance with the Scheme, and in keeping with the objectives of the Scheme including ultimately segregating the promoter group ownership of the Demerged Company and the Resulting Company, it was envisaged that GV Promoter Group would transfer the equity shares held by them in the Resulting Company to GT Promoter Group and GT Promoter Group would transfer the shareholding held by them in the Demerged Company to GV Promoter Group, pursuant to and as an integral part of the Scheme.
- xxi) The GV Promoter Group intends to reclassify their status as promoters to that of public shareholders of the Resulting Company and GT Promoter Group intends to reclassify their status as promoters to that of public shareholders of the Demerged Company, in the event that and at such time, pursuant to the Share Transfers, their respective shareholding falls below the threshold permitted for reclassification as per Applicable Law (in particular Regulation 31A of the SEBI LODR Regulations). The respective company and Promoter Group shall take such steps as are necessary for this purpose under Applicable Law, at the relevant time.

#### **Approvals with respect to Scheme of Arrangement**

The approvals with respect to Scheme are as follows:

<b>S. No.</b>	<b>Name of Authority</b>	<b>Date of Approval</b>
1.	Board of Directors of Demerged Company and Resulting Company	07.06.2021
2.	Competition Commission of India (CCI) acknowledgement upon filing of the Scheme received, by way of deemed approval as per Regulation 5A of the Competition Commission of India	23.07.2021

	(Procedure in regard to the transaction of Business relating to Combinations) Regulation, 2011.	
3.	The Observations Letter- NOC for Scheme received from BSE	08.09.2021
4.	The Observations Letter- NOC for Scheme received from National Stock Exchange of India.	15.09.2021
5.	Approval of equity shareholders, secured creditors and unsecured creditors of the Demerged Company	29.01.2022
6.	Hon'ble NCLT, Allahabad Bench	27.04.2022
7.	Filing with Registrar of Companies, Kanpur	03.05.2022

In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations, shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors  
**Dhampur Bio Organics Limited**  
Sugar Mill Compound, Village Asmoli,  
District Sambhal, Moradabad  
Uttar Pradesh - 244304

May 18, 2022

**Subject:** Statement of possible special tax benefits (“**the Statement**”) available to Dhampur Bio Organics Limited (“**the Company**”) and its shareholders prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**the ICDR Regulations**”)

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company and its shareholders under direct and indirect taxes (together “**the Tax Laws**”) as listed in enclosed Annexure I, presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, and its shareholders and do not cover any general tax benefits available to the Company, and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the tax implications arising out of the Scheme of Arrangement particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

- i) the Company and its shareholders will continue to obtain these possible special tax

- benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Information Memorandum and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Share of the Company are proposed to be listed, the relevant Registrar of Companies in India and in any other material used in connection with the proposed listing of shares, and it is not to be used, referred to or distributed for any other Purpose without our prior written consent.

**For Mittal Gupta & Co.**

Chartered Accountants

ICAI Firm's Registration No.001874C

Sd/-

**Akshay Kumar Gupta**

Membership No.: 070744

**Place:** Kanpur

**Date:** 2<sup>nd</sup> June, 2022

**UDIN:** 22070744AKFFVE4219

## ANNEXURE I

### LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017

## ANNEXURE II

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO DHAMPUR BIO ORGANICS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Out lined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

#### UNDER THE TAX LAWS

##### *A. Special tax benefits available to the Company*

##### **1. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')**

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic Company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic Companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions/incentives under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a Company opts for section 115BAA of the Act, the tax credit (under section 115JAA of the Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has not opted to apply section 115BAA of the Act for Financial Year 2021-22. Once the Company decides to opt for applicability of concessional tax rate, it would not be eligible to claim below deduction and MAT credit.

##### **2. Deductions from Gross Total Income**

Section 80G of the Act: Deductions in respect of donations

Subject to conditions prescribed in the Act, the Company is entitled to claim deduction, under the provisions of Section 80G of the Act, of an amount equal to hundred per cent or fifty percent (as applicable as per the provisions of the Act) of the amount of donations made by the Company in the relevant previous year.

However, where the Company opts for special rate of tax under section 115BAA of the Act, such deduction shall not be allowed in computation of total income in the relevant previous year.

***B. Special tax benefits available to Shareholders***

As per section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No.60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000.

As per section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the Act.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Act.

***C. Special tax benefits available under GST laws:***

No special tax benefit is available to the Company and its shareholders under Goods and Service Tax Laws.

**NOTES:**

1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **Dhampur Bio Organics Limited**

**Sd/-**

**CHIEF FINANCIAL OFFICER**

## OUR MANAGEMENT

Presently, our Company has 9 (Nine) Directors out of which 3 (Three) are Executive Directors, 1 (one) is Non Executive, Non-Independent Directors and 5 (Five) are Independent Directors including one Woman Director. The provisions of the Companies Act and the SEBI Listing Regulations and norms of code of corporate governance applicable to listed companies in India govern the composition of the Board of Directors of our Company.

The following table sets forth details of the Board of Directors as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name, DIN, Designation, Occupation and Term	Designation/Category	Date of Appointment	Address	Other Directorships in Indian Companies
<b>Vijay Kumar Goel</b> DIN: 00075317 Date of Birth: November 9, 1940 Age: 81 years Occupation: Business Period and Term: Designated as Chairman w.e.f. May 5, 2022 for a period of three (3) years and liable to retire by rotation	Chairman, Promoter, Executive	April 8, 2021	46 Friends Colony East, Delhi - 110065	<ul style="list-style-type: none"> <li>• Delton Cables Limited</li> <li>• Shudh Edible Products Private Limited</li> <li>• Sonitron Limited</li> <li>• Goel Investments Limited</li> <li>• Saraswati Properties Limited</li> <li>• Intellecta Infotech Private Limited</li> <li>• Khandelwal Laboratories Private Limited</li> </ul>
<b>Gautam Goel</b> DIN: 00076326 Date of Birth: February 15, 1974 Age: 48 years Occupation: Business Period and Term: Appointed as Managing Director w.e.f. May 5, 2022 for a period of three (3) years and liable to retire by rotation	Managing Director, Promoter, Executive	April 24, 2021	46, Friends Colony East, Delhi - 110065	<ul style="list-style-type: none"> <li>• Shudh Edible Products Private Limited</li> <li>• Sonitron Limited</li> <li>• Goel Investments Limited</li> <li>• Saraswati Properties Limited</li> <li>• Intellecta Infotech Private Limited</li> </ul>
<b>Bindu Vashist Goel</b> DIN: 0009591778 Date of Birth: March 5, 1970 Age: 52 years Occupation: Business Term: Liable to retire by rotation	Director, Promoter, Non-Executive	May 4, 2022	9 Rhu Cross, #08-04 Costa Rhu, Singapore-437436  Permanent Address: 46, Friends Colony East, Delhi - 110065	Nil
<b>Sandeep Kumar Sharma</b> DIN: 06906510 Date of Birth: June 8, 1958 Age: 63 years Occupation: Service Period and Term: Appointed as Whole-time director w.e.f.	Whole-time Director, Professional, Executive,	April 19, 2022	Dhampur Sugar Mills Limited Bijnore, Uttar Pradesh - 246761	Nil

May 5, 2022 for a period of two (2) years and liable to retire by rotation				
<b>Ashwani Kumar Gupta</b>	Director, Independent, Non-Executive	April 19, 2022	First Floor, 8 Munirka Marg, Vasant Vihar-1, South West Delhi - 110057	<ul style="list-style-type: none"> <li>• Verdant Estuary Retreat Private Limited</li> <li>• Gangaheritage Resorts Private Limited</li> <li>• A K G Consultants Private Limited</li> <li>• Lallooji And Sons Private Limited</li> <li>• Mani Capitals Limited</li> <li>• Kapareva Development Private Limited</li> </ul>
DIN: 00108678				
Date of Birth: August 25, 1954				
Age: 67 years				
Occupation: Professional				
Term: Not liable to retire by rotation. Appointed for the term of 3 years.				
<b>Samir Thukral</b>	Director, Independent, Non-Executive	April 19, 2022	B-58, 3 <sup>rd</sup> Floor, Paschimi Marg, Vasant Vihar, South West Delhi, Delhi- 110057	<ul style="list-style-type: none"> <li>• Auro Sugar Private Limited</li> <li>• Glenasia Commodities Private Limited</li> <li>• Auro Resorts Private Limited</li> <li>• Asia Sugar Industries Private Limited</li> </ul>
DIN: 00203124				
Date of Birth: December 6, 1959				
Age: 62 years				
Occupation: Business				
Term: Not liable to retire by rotation. Appointed for the term of 3 years				
<b>Kishor Shah</b>	Director, Independent, Non-Executive	April 19, 2022	701 Casa Grande, Senapati Bapat Marg, Lower Parel, Mumbai-400 013	<ul style="list-style-type: none"> <li>• GKW Limited</li> <li>• Bhagiradha Chemicals and Industries Limited</li> <li>• Aamara Capital Private Limited</li> </ul>
DIN: 00193288				
Occupation: Business				
Date of Birth: February 6, 1964				
Age: 57 years				
Term: Not liable to retire by rotation. Appointed for the term of 3 years				
<b>Vishal Saluja</b>	Director, Independent, Non-Executive	April 19, 2022	2655 Broadway Street, San Francisco, CA 94115	Nil
DIN: 07145715				
Date of Birth: January 21, 1967				
Age: 55 years				
Occupation: Business				
Term: Not liable to retire by rotation. Appointed for the term of 3 years				
<b>Ruchika Mehra Kothari</b>	Director, Independent, Non-Executive	April 19, 2022	2/A Gulmerg, Nepean sea road, Mumbai, Maharashtra-400006	<ul style="list-style-type: none"> <li>• RMBAY Exports Pvt. Ltd</li> </ul>
DIN: 09151323				
Date of Birth: July 16, 1972				
Age: 49 years				
Occupation: Business				
Term: Not liable to retire by rotation. Appointed for the term of 3 years				

None of our Directors hold current and/ or past directorship(s) for a period of 5 years in listed companies whose shares have been or were suspended from being traded on the BSE or the NSE or in listed companies who have been / were delisted from stock exchanges.

## Relationship between Directors

As on date of this Information Memorandum, none of the Directors are related to each other except for Mr. Vijay Kumar Goel, Mr. Gautam Goel, Ms. Bindu Vashist Goel, Mr. Gautam Goel is son of Mr. Vijay Kumar Goel and husband of Ms. Bindu Vashist Goel

### Brief Profile of the Directors:

**Vijay Kumar Goel:** Vijay Kumar Goel is a promoter and Chairman of the Company. He has been the President of Indian Sugar Mills Association and the Indian Sugar Export Corporation. With over 60 years of experience in the sugar industry, Vijay has spearheaded several technological innovations in the Industry. His ethos of social responsibility has always motivated the Company and continues to inspire our CSR endeavours.

**Gautam Goel:** Gautam Goel is a promoter and Managing Director of the Company. He has been the President of the Indian Sugar Mills Association and Indian Sugar Export Corporation. Gautam has led teams in expanding operations and capacities of the Company. As a team leader he focused on value-addition, which included pioneering the production of Sulphur less refined sugar in India. Gautam is involved with the farmer outreach efforts of the Company. He is spearheading the Sustainability and Social Governance initiatives.

**Bindu Vashist Goel:** Bindu Vashist Goel is a Promoter of the company. She is a qualified lawyer and has spearheaded the Company's CSR endeavours in education and supports our efforts to achieve diversity in the workplace. She is part of the Company's team committed to contributing towards environmental initiatives and waste reduction.

**Sandeep Kumar Sharma:** Sandeep Kumar Sharma is the COO and the whole-time Director. He has over 40 years of experience in operations, projects, and administration of sugar mills, power generation plants and chemical plants.

**Ashwani Kumar Gupta:** Ashwani Kumar Gupta is a Chartered Accountant with over 40 years of experience in finance, treasury management and capital markets. He has been a Government nominee on the Boards of Joint Sector Companies and the RBI nominee on the Board of various Banks.

**Samir Thukral:** Samir Thukral has been involved since 1982 in commodity trading with a focus on sugar. He has worked with leading international commodity trading companies and has also represented them in India. Samir has domain expertise in Sugar trading which includes logistics and the international sugar futures market.

**Kishor Shah:** Kishor Shah is a Chartered Accountant with domain expertise in the sugarcane processing industry. He was a Director and CFO of a leading sugar company in India from 1994 to 2015 . Kishor has over 30 years of experience in corporate finance, cost management and strategic planning.

**Vishal Saluja:** Vishal Saluja has over 20 years of experience as a fund manager. He founded and successfully managed 2 healthcare focused hedge funds in the USA. Vishal worked for 5 years with McKinsey & Company as a strategy consultant on growth and operational efficiency initiatives with C-suite executives.

**Ruchika Mehra Kothari:** Ruchika Mehra Kothari has over 30 years of experience in the woolen textile industry. She has domain knowledge in purchase and import of wool, conversion

and marketing and exports of finished yarn . The brand of finished woolen products launched by Ruchika has a wide domestic and international market.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the directors was selected as a director or member of senior management.

### **Borrowing Powers of the Board**

As per the provisions of the Scheme, the borrowing limits of the Company in terms of Section 180(1)(c) of the Act, shall, without any requirement of any further act or deed, stand enhanced by an amount being the aggregate borrowings forming part of the Transferred Liabilities which are being transferred to the Company pursuant to the Scheme of Arrangement and the Company shall not be required to pass any separate resolution in this regard. Such limits shall be incremental to the existing borrowing limits of the Company.

However, the borrowing limit of the Company is Rs. 2500 crores as on the date of the Information Memorandum.

### **Details of remuneration for our Directors**

The Board is comprised of nine (9) Directors consisting of three (3) executive, one (1) non-executive non-independent and five (5) Independent Directors including one (1) independent woman director. No compensation has been paid to the Directors of the Company for fiscal 21-22. The date of appointment and other details are mentioned above.

**Details of directorship in companies suspended or delisted:** None

### **Service contracts with Directors**

There is no specific service contract entered into by the directors with the Company providing for benefits upon termination of employment and a distinct negative statement in the absence of any such contract.

### **Compensation payable to our Executive Directors**

The Board of Directors of the Company has, at its meeting held on May 5, 2022, appointed Vijay Kumar Goel as Chairman , Gautam Goel as Managing Director, and Sandeep Kumar Sharma as Whole-time Director of the Company effective from May 5, 2022.

### **Details of remuneration:**

#### **I. Vijay Kumar Goel**

#### **Remuneration :**

Salary: - Rs. 1,50,00,000/- per annum

#### **Perquisites:**

**Housing:** For accommodation owned / rented by the Company a deduction @ 10% of the salary or actual rent paid whichever is lower.

**Electric, Gas, Water And Furnishing:** The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Chairman and Executive Director.

**Medical:** Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or three months' salary over a period of three years.

**Leave Travel:** For self and family once a year incurred in accordance with the rules of the Company.

**Club Fees:** Club fees subject to maximum of two clubs but not admission and life membership fees.

**Personal Accident Insurance:** Premium for insurance not to exceed Rs. 12,000/- per annum plus Service Tax as applicable.

**Others:** (Not to be treated as perquisites)

**Provident Fund:** Employer's contribution to Provident Fund as applicable under the Income-tax Act, 1961.

**Gratuity:** At the rate of half month's salary for each completed year of service subject to a ceiling as applicable in The Payment of Gratuity Act, 1972, as per applicability.

In addition to the above basic salary and perquisites, Mr. Vijay Kumar Goel be also paid remuneration by way of Commission as determined in accordance with the provisions of Sections 197 and 198 and other applicable provisions, if any of the Companies Act, 2013.

## **II. Gautam Goel**

### **Remuneration :**

**Salary:** Rs. 2,50,00,000/- per annum

### **Perquisites:**

**Housing:** For accommodation owned / rented by the Company a deduction @ 10% of the salary or actual rent paid by Company whichever is lower.

**Electric, Gas, Water And Furnishing:** The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of Salary of the Managing Director.

**Medical:** Reimbursement of actual expenses incurred for self and family subject to ceiling of one month's salary in a year or three months' salary over a period of three years.

**Leave Travel:** For self and family once a year incurred in accordance with the rules of the Company.

**Club Fees:** Club fees subject to maximum of two clubs but not admission and life membership fees.

**Personal Accident Insurance:** Premium for insurance not to exceed Rs. 12,000/- per annum plus Service Tax as applicable.

**Others:** (Not to be treated as perquisites).

**Provident Fund:** Employer's contribution to Provident Fund as applicable under the Income-tax Act, 1961.

**Gratuity:** At the rate of half month's salary for each completed year of service subject to a ceiling as applicable in The Payment of Gratuity Act, 1972.

In addition to the above basic salary and perquisites, Mr. Gautam Goel be also paid remuneration by way of Commission as determined in accordance with the provisions of Sections 197 and 198 and other applicable provisions, if any of the Companies Act, 2013.

### **III. Sandeep Kumar Sharma**

**Remuneration:**

Salary: Rs. 88,20,000/- per annum

**Perquisites:**

**Housing:** For accommodation owned / rented by the Company a deduction @ 7.5% of the salary or actual rent paid by Company whichever is lower.

**Electric, Gas, Water and Furnishing:** The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income-Tax Rules, 1962.

**Medical:** Reimbursement of actual expenses incurred for self and family to the extent of ` Rs. 15,000/- Per Year.

**Leave Travel:** For self and family once a year to the extent of one month salary once in a year.

**Leave Encashment:** To the extent of one month's salary in a year.

**Other Allowances:** Rs. 200,000/- per year (Bonus, CEA, PDA and servant allowance)

**Others:** (Not to be treated as perquisites).

**Provident Fund:** Employer's contribution to Provident Fund to the extent not taxable under the Income-Tax Act, 1961, as per applicability.

**Gratuity:** At the rate of half month's salary for each completed year of service subject to a ceiling as applicable in The Payment of Gratuity Act, 1972, as per applicability.

During the tenure of his appointment, Mr. Sandeep Kumar Sharma will not be entitled to any sitting fees for attending the meetings of the Board or any Committee thereof.

In addition to the above, performance based incentives as may be decided by the board, shall form part of his overall remuneration and it shall be within the limits (as amended from time to time) as prescribed in Schedule V to the Companies Act, 2013 and the same shall also be governed in the event of loss or inadequacy of profits in any financial year during the currency of aforesaid term of Mr. Sandeep Kumar Sharma.

## Compensation payable to our Non-executive Directors

**Sitting fee:- No sitting fee has been paid for fiscal 21-22.** The Board of Directors of the Company has, at its meeting held on February 12, 2022 approved the payment of sitting of Rs. 25000/- for participating in each meeting of Board of directors . The sitting fees was revised to Rs. 50,000/- for participating in each meeting of Board of directors and Rs. 30,000/- for participating in each meeting of any committee(s) of Bord to Non-Executive directors at the meeting held on April 19, 2022.

## Bonus or profit sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company

## Details of Equity Shares held by our Directors

Except as stated below, there are no other Directors who hold Equity Shares in our Company as on the date of this Information Memorandum.

Sr. No.	Name of Director	Number of Shares
1	Mr. Vijay Kumar Goel	3,49,116
2	Mr. Gautam Goel	42,42,339
3	Ms. Bindu Vashist Goel	76,350
4	Mr. Sandeep Kumar Sharma	755
	<b>TOTAL</b>	<b>67,40,848</b>

## Interest of Directors

All of the Directors may be deemed to be interested only to the extent of fees, if any, payable to them for attending meetings of the Board of Directors or committees thereof as well as to the extent of reimbursement of expenses payable to them under the Articles of Association and to the extent of remuneration paid/to be paid to them for services rendered as an officer or employee of the Company.

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and their relatives, to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firms or LLPs in which they are partners as declared in their respective declarations.

Except as stated otherwise in this Information Memorandum, our Company has not entered into any contract, agreement or arrangement during the preceding year from the date of the Information Memorandum in which the Directors are directly or indirectly interested.

The Directors have no interest in any property acquired or proposed to be acquired by the Company within the year preceding the date of this Information Memorandum.

## Change in Board of Directors since incorporation

Name	Date of Appointment	Date of Cessation	Reason
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Mr. Sumit Gupta	October 26, 2020	March 31, 2021	Resignation
Ms. Rekha Gupta	October 26, 2020	March 31, 2021	Resignation
Mr. Mukul Sharma	March 31, 2021	May 30, 2022	Resignation
Mr. Nalin Kumar Gupta	March 31, 2021	May 30, 2022	Resignation
Mr. Vijay Kumar Goel	April 8, 2021	Not Applicable	Appointed as Non executive Director on April 8, 2021.  Re-designated as Chairman (Executive Director) w.e.f May 5, 2022
Mr. Ashok Kumar Goel	April 24, 2021	May 4, 2022	Resignation
Mr. Gaurav Goel	April 24, 2021	May 4, 2022	Resignation
Mr. Gautam Goel	April 24, 2021	Not Applicable	Appointed as Non executive Director on April 24, 2021. Re-designated as Managing Director (Executive Director) w.e.f May 5, 2022
Ms. Bindu Vashist Goel	May 4, 2022	Not Applicable	Appointment
Mr. Sandeep Kumar Sharma	April 19, 2022	Not Applicable	Appointed as Non executive Director on April 19, 2022. Re-designated as Whole-time Director (Executive Director) w.e.f May 5, 2022
Mr. Ashwani Kumar Gupta	April 19, 2022	Not Applicable	Appointment
Mr. Samir Thukral	April 19, 2022	Not Applicable	Appointment
Mr. Kishor Shah	April 19, 2022	Not Applicable	Appointment
Mr. Vishal Saluja	April 19, 2022	Not Applicable	Appointment
Mr. Ruchika Mehra Kothari	April 19, 2022	Not Applicable	Appointment

## Corporate Governance

The provisions with respect to corporate governance will be applicable upon listing of the Equity Shares on the stock exchanges. Our Company administers corporate governance through the Board and the Committees of the Board. In compliance with the requirement under Regulation 17 of the Listing Regulations, our Company has constituted the following Board Level Committees:

## A. Audit Committee

Our Audit Committee was constituted pursuant to a resolution of our Board dated May 30, 2022. The current constitution of the Audit Committee is as follows:

Sr. No.	Name	Position on the Committee	Designation
1	Mr. Kishor Shah	Chairman	Independent Director
2	Mr. Gautam Goel	Member	Managing Director
3	Mr. Ashwani Kumar Gupta	Member	Independent Director
4	Mr. Samir Thukral	Member	Independent Director

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as follows:

### The role of the Audit Committee shall be as follows:

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;

- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- 22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and shareholders
- 23) Approval or any subsequent modification of transactions of the company with related parties;
- 24) Monitoring the end use of funds raised through public offers and related matters;
- 25) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
- 26) The Audit Committee shall have authority to investigate into any matter in relation to the items prescribed in the Act or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- 27) The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
- 28) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee; and

- 29) Resolve any disagreements between management and the auditor regarding financial reporting.

**The audit committee shall mandatorily review the following information:**

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 3) Internal audit reports relating to internal control weaknesses;
- 4) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**Statement of deviations:**

- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

**B. Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated May 30, 2022. The current constitution of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name	Position on the Committee	Nature of Directorship
1	Mr. Samir Thukral	Chairman	Independent Director
2	Mr. Ashwani Kumar Gupta	Member	Independent Director
3	Mr. Kishor Shah	Member	Independent Director
4	Ms. Ruchika Mehra Kothari	Member	Independent Director

The scope and functions of the Nomination, Remuneration and Compensation Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination, Remuneration and Compensation Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.

3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

### **C. Stakeholders Relationship Committee**

Our Stakeholders Relationship Committee was constituted pursuant to a resolution of our Board dated May 30, 2022 The current constitution of the Stakeholders Relationship Committee is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Position on the Committee</b>	<b>Nature of Directorship</b>
1	Mr. Ashwani Kumar Gupta	Chairman	Independent Director
2	Ms. Bindu Vashist Goel	Member	Independent Director
3	Mr. Kishor Shah	Member	Independent Director
4	Ms. Ruchika Mehra Kothari	Member	Independent Director

The scope and functions of the Stakeholders Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### **D. Risk Management Committee**

Our Risk Management Committee was constituted pursuant to a resolution of our Board dated May 30, 2022 The current constitution of the Risk Management Committee is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Position on the Committee</b>	<b>Nature of Directorship</b>
1	Mr. Ashwani Kumar Gupta	Chairman	Independent Director

2	Mr. Sandeep Kumar Sharma	Member	Whole-time director
3	Mr. Vishal Saluja	Member	Independent Director
4	Mr. Gautam Goel	Member	Managing Director
5	Mr. Nalin Kumar Gupta	Member	Chief Financial Officer

The terms of reference of the Risk Management Committee are as follows:

- 1) To formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

#### **E. Corporate Social Responsibility Committee**

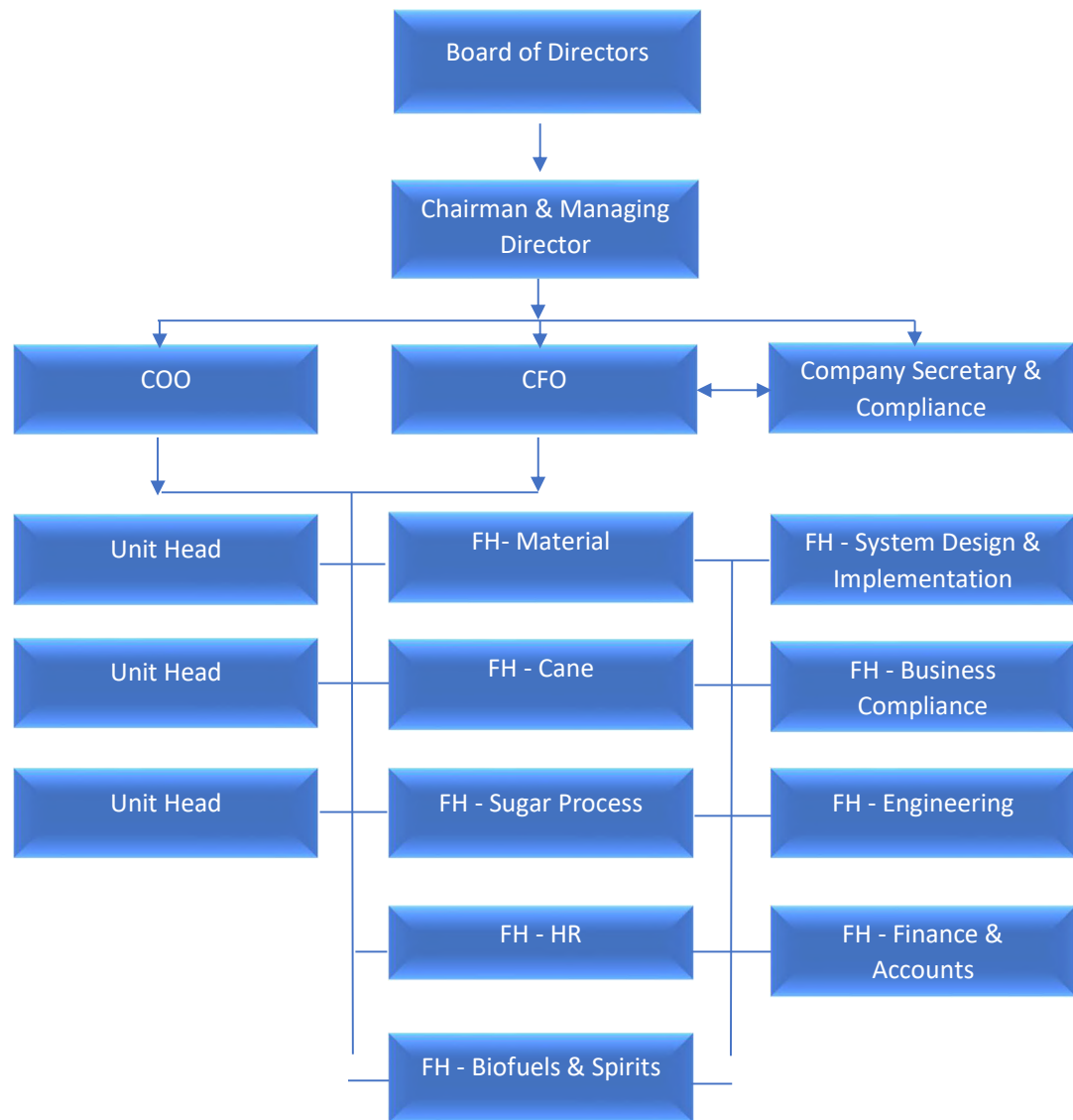
Our Corporate Social Responsibility Committee was constituted pursuant to a resolution of our Board dated May 30, 2022. The current constitution of the Corporate Social Responsibility Committee is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Position on the Committee</b>	<b>Nature of Directorship</b>
1	Mr. Sandeep Kumar Sharma	Chairman	Whole-time Director
2	Ms. Bindu Vashist Goel	Member	Non-Independent Director
3	Ms. Ruchika Mehra Kothari	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy including review of policy as and when it deems necessary, which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
2. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.
3. To recommend the amount of expenditure to be incurred on the CSR activities
4. To monitor the Corporate Social Responsibility Policy of the company from time to time.

## Management Organization Structure



Unit Heads and Functional Heads (FH) are supported by HODs, Section Heads, Supervisors and other supporting staff

**Key Managerial Personnel** (Apart from Chairman, Managing Director and Whole Time Director)

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
Nalin Kumar Gupta	Chief Financial Officer	May 30, 2022
Ashu Rawat	Company Secretary	May 30, 2022

#### **Brief Profiles of the Key Managerial Personnel**

**Nalin Kumar Gupta** is the chartered accountant of our Company with experience of over 25 years in finance, accounts, taxation and treasury management. He has been part of sugar industry for more than two decades.

**Ashu Rawat** is the company secretary of our Company. She holds a masters degree in Law from CCS University. She has over 13 years of experience in the areas of corporate law compliances and corporate governance.

The Company has not paid any remuneration to the above KMPs for Financial Year 2021-22 as all of them have been appointed in Financial Year 2022-23.

All our Key Managerial Personnel are permanent employees of our Company.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

#### **Shareholding of KMPs**

As of the date of this Information Memorandum, Mr. Vijay Kumar Goel, Chairman holds 3,49,116 equity shares, Mr. Gautam Goel, Managing Director holds 42,42,339 equity shares, Mr. Sandeep Kumar Sharma, Whole Time Director holds 755 equity shares and Mr. Nalin Kumar Gupta, CFO holds 1,126 equity shares in our Company.

#### **Changes in our Key Managerial Personnel in the last three years**

There has been no change in the KMP since the incorporation of our Company.

#### **Relationship between KMPs**

None of the KMP is related to each other except Mr. Vijay Kumar Goel and Mr. Gautam Goel.

#### **Bonus or profit-sharing plan for the KMPs**

Our Company does not have any performance linked bonus plan for the KMPs except Mr. Sandeep Kumar Sharma, Whole-time Director and Mr. Nalin Kumar Gupta, Chief Financial Officer.

#### **Employee Stock Option Plan / Employee Stock Purchase Scheme**

Currently, our Company does not have any scheme of employee stock option or employee stock purchase.

**Loans taken by Directors / KMPs**

Our Company has not granted any loans to the Directors and/or KMP.

**Interest of KMPs**

Apart from what is mentioned in this Information Memorandum, the KMP of our Company do not have any interest in our Company other than the extent of the remuneration, rent or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of the business.

**Payment or benefit to Key Management Personnel of our Company**

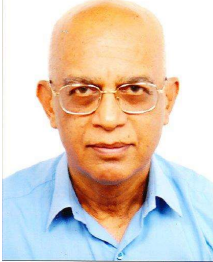

No amount or benefit has been paid or given since incorporation of the Company or is intended to be paid or given to any of our Key Management Personnel except the normal remuneration for services rendered in the capacity of being Director/ employee.



## OUR PROMOTERS AND PROMOTER GROUP

As on date of this Information Memorandum, the Promoters of our Company are Vijay Kumar Goel, Ashok Kumar Goel, Gaurav Goel, Gautam Goel who together hold 6663743 Equity Shares aggregating to 10.04% of the Equity Share Capital. Our Promoters have acquired shareholding in our Company pursuant to the Scheme. Dhampur Sugar Mills Limited was the original promoter of our Company. For details, see section “*Changes in our Promoters*” at page 75 below:

### Details of our Promoters

#### Individual Promoters

Photograph	Profile	Directorship held in other Companies
 <p><b>VIJAY KUMAR GOEL</b></p>	<p>Vijay Kumar Goel, 81 years, is one of our Promoters</p> <p>Date of Birth: November 9, 1940</p> <p>Address: 46, Friends Colony East, Delhi-110065</p> <p>Educational Qualifications: Intermediate</p> <p>Permanent Account Number: AAUPG6819M</p> <p>Aadhar Card Number: 8484 2267 7967</p> <p>Driving License Number: No Driving License</p>	<ul style="list-style-type: none"> <li>• Delton Cables Limited</li> <li>• Shudh Edible Products Private Limited</li> <li>• Sonitron Limited</li> <li>• Goel Investments Limited</li> <li>• Saraswati Properties Limited</li> <li>• Intellecta Infotech Private Limited</li> <li>• Khandelwal Laboratories Private Limited</li> </ul>
 <p><b>ASHOK KUMAR GOEL</b></p>	<p>Ashok Kumar Goel, 75 years, is one of our Promoters</p> <p>Date of Birth: May 1, 1946</p> <p>Address: 61, Friends Colony East, South Delhi, New Delhi-110025</p> <p>Educational Qualifications: Graduate</p> <p>Permanent Account Number: AGYPG1248E</p> <p>Aadhar Card Number: 2594 0738 4261</p> <p>Driving License Number: No Driving License</p>	<ul style="list-style-type: none"> <li>• Dhampur Sugar Mills Limited</li> <li>• RKBK Limited</li> <li>• Goel Investments Limited</li> </ul>

 <p><b>GAUTAM GOEL</b></p>	<p>Gautam Goel, 48 years, is one of our Promoters</p> <p>Date of Birth: February 15, 1974</p> <p>Address: 46 Friends Colony East, Delhi- 110065</p> <p>Educational Qualifications: Intermediate</p> <p>Permanent Account Number: ADYPG0564C</p> <p>Aadhar Card Number: 6517 2639 8159</p> <p>Driving License Number: DL-1220140125724</p>	<ul style="list-style-type: none"> <li>• Shudh Edible Products Private Limited</li> <li>• Sonitron Limited</li> <li>• Goel Investments Limited</li> <li>• Saraswati Properties Limited</li> <li>• Intellecta Infotech Private Limited</li> </ul>
 <p><b>GAURAV GOEL</b></p>	<p>Gaurav Goel, 48 years, is one of our Promoters</p> <p>Date of Birth: September 24, 1973</p> <p>Address: 61 Friends Colony East, South Delhi, New Delhi-110025</p> <p>Educational Qualifications: Business Management Graduate from the American College of London, United Kingdom.</p> <p>Permanent Account Number: ADYPG0561H</p> <p>Aadhar Card Number: 887558308708</p> <p>Driving License Number: UP38- 20140009940</p>	<ul style="list-style-type: none"> <li>• Dhampur Sugar Mills Limited</li> <li>• Mangalam Cement Limited</li> <li>• Priya Goel Private Limited</li> <li>• Venus India Asset-Finance Private Limited</li> <li>• Goel Investments Limited</li> <li>• VCM Portfolio Management Services Private Limited</li> <li>• Saraswati Properties Limited</li> <li>• Indian Sugar EXIM Corporation Ltd.</li> </ul>

### Changes in our Promoters

Our Company was incorporated on October 26, 2020. Dhampur Sugar Mills Limited held 100% of the shareholding of our Company till the Scheme become effective. Pursuant to the Scheme of Arrangement, the shareholding of Dhampur Sugar Mills Limited was cancelled on allotment of new equity shares i.e. on May 23, 2022. Post allotment, 3,25,85,637 Equity Shares equivalent to 49.08% of our paid-up equity share capital are held by Promoters and Promoters Group. For further details on the Scheme of Arrangement, please see “Scheme of Arrangement” on page 47

### *Interest of our Promoters in the promotion of our Company*

Our Promoters are interested in our Company to the extent of their respective shareholding in our Company and the dividend declared, if any and any other distributions in respect of their

direct or indirect shareholding in our Company. For further details, see “Capital Structure” on page 29

*Interest of our Promoters in our Company other than as Promoter*

Our Promoters may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them in capacity as Directors of our Company, if any, as per terms of appointment, for attending meetings of our Board or committees thereof.

Our Promoters may be interested to the extent of Equity Shares, if any, held by them and their relatives (together with other distributions in respect of Equity Shares) of the Company.

*Interest of our Promoter in the Property of our Company*

Our Promoters do not have any interest whether direct or indirect in any property acquired by our Company, since incorporation or proposed to be acquired by our Company as on the date of this Information Memorandum or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

*Interest of our Promoters in our Company arising out of being a member of firm or company*

Our Company has not made any payments in cash or shares or otherwise to any of our Promoters or to firms or companies in which any of our Promoters are interested as members or promoters nor has any Promoter been offered any inducements to become interested in any firm or company, in connection with the promotion or formation of our Company.

*Disassociation by our Promoters in the last 3 years*

Except as disclosed below, none of our Promoter have disassociated themselves from companies/ firms during the last 3 years preceding the date of this Information Memorandum:

<b>Name of Promoter</b>	<b>Name of Company/ Firm from which disassociated</b>	<b>Date of disassociation</b>	<b>Reasons and the circumstances leading to the disassociation together with the terms of such disassociation</b>
Mr. Vijay Kumar Goel	Dhampur Sugar Mills Limited	May 4, 2022	Resignation from Directorship
Mr. Ashok Kumar Goel	Dhampur Bio Organics Limited	May 4, 2022	Resignation from Directorship
Gautam Goel	DETS Limited	May 28, 2020	Resignation from Directorship
	Ehaat Limited	May 30, 2020	Resignation from Directorship
	Dhampur Sugar Mills Limited	May 4, 2022	Resignation from Directorship
Gaurav Goel	Ypogreater Foundation	October 27, 2020	Cessation from Directorship
	Shudh Edible Products Private Limited	November 4, 2020	Resignation from Directorship
	Sonitron Limited	November 4, 2020	Resignation from Directorship

	Dhampur Bio Organics Limited	May 4, 2022	Resignation from Directorship
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*Payment or benefit to Promoters of our Company*

No amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our Promoters or any member of our Promoter Group other than in the ordinary course of business. Also, there has been no related party transaction with the Promoters since incorporation involving payments/ benefits to the Promoters except as stated in the Chapters titled “Related Party Transaction” on page 132.

**Confirmations**

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

None of our Promoters are ‘wilful defaulter’ by the RBI, any government/regulatory authority and/or by any bank or financial institution.

None of our Promoters are debarred from accessing the capital markets by SEBI.

None of our Promoters is a promoter or director of any Company which is debarred from accessing the capital market by SEBI.

**PROMOTER GROUP**

Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations have been identified as our Promoter Group companies.

**a. Natural persons forming part of the Promoter Group:**

1. Vijay Kumar Goel
2. Ashok Kumar Goel
3. Gaurav Goel
4. Gautam Goel
5. Deepa Goel
6. Vinita Goel
7. Ishira Goel
8. Bindu Vashist Goel
9. Aparna Jalan
10. Ritu Sanghi
11. Shefali Poddar
12. Asha Kumari Swaroop

**b. Entities forming part of the Promoter Group**

1. Ujjwal Rural Services Limited
2. Goel Investments Limited
3. Shudh Edible Products Private Limited
4. Saraswati Properties Limited
5. Sonitron Limited

We have also not included any details of any of the entities in which immediate relatives of Promoters may be interested as a promoter or a partner. The information pertaining to such persons is not available with us as such persons neither have any direct or indirect interest in us nor exercise any control over us.

## GROUP COMPANIES

The following are Group Companies (other than subsidiary)

1. Dhampur Sugar Mills Limited
2. Shudh Edible Products Private Limited

### **Dhampur Sugar Mills Limited**

#### *Corporate Information*

Dhampur Sugar Mills Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1913 on May 22, 1933 and having its registered office at Dhampur, district Bijnor, Uttar Pradesh- 246761. The CIN of the Demerged Company is L15249UP1933PLC000511.

The equity shares of Dhampur Sugar Mills Limited are listed on the BSE and NSE.

The Company is engaged in the business of manufacturing and dealing of sugar, power, industrial alcohol, ethanol, chemicals and potable alcohol with different capacities.

#### *Interest of our Promoters*

As on date of this Information Memorandum, the promoters of our Company are also the Promoters of Dhampur Sugar Mills Limited.

Pursuant to Clause 20 of the Scheme, GT Promoter Group and GV Promoter Group shall inter-se transfer their shareholding in respective companies, as per Option 1 which reads as under:-

#### **“Option 1**

Within a period of 1 (one) year from the date of listing of the equity shares of the Resulting Company on any of the Stock Exchanges, (a) GV Promoter Group shall transfer such number of equity shares, representing their entire shareholding in the Resulting Company to GT Promoter Group, and (b) simultaneously therewith, GT Promoter Group shall transfer such number of equity shares representing their entire shareholding in the Demerged Company to GV Promoter Group.

The above Share Transfer shall be undertaken in one or more tranches and by way of such modalities and on such terms and conditions, and on the stock exchange or otherwise, as may be agreed between the Promoter Groups mutually.”

#### *Financial Information*

*(INR in Crores except per share data)*

Particulars	FY 2022*	FY 2021*	FY 2020*
Equity Capital	66.39	66.45	66.45
Other Equity	822.10	1,496.44	1,308.63
Total Income	2208.71	4,233.51	3,423.91
Profit for the year	146.95	218.86	211.37
EPS (Basic & Diluted)	22.13	32.97	31.84
Net Asset Value	888.49	235.42	207.13

*\*extracted from audited financial statements of FY 2022, 2021, 2020.*

### *Share price information*

The equity shares of Dhampur Sugar Mills Limited are listed on NSE and BSE. The following table provides details of the highest and lowest price on NSE and BSE during the 6 months preceding the date of issue of the Information Memorandum:

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
March, 2022	567.00	370.70	566.80	372.00
February 2022	431.60	342.00	431.50	342.00
January, 2022	405.50	306.45	405.50	306.45
December, 2021	316.30	278.00	316.35	277.60
November, 2021	335.40	251.20	335.00	259.00
October, 2021	338.00	292.00	337.45	281.85

### **Other Confirmations**

The Company, Dhampur Sugar Mills Limited has not made a right issue in the 3 years preceding the date of this Information Memorandum.

The Company does not fall under the definition of sick industrial company under the Sick Industrial Companies (Special Provisions) Act, 1985 or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016.

Further no winding up, insolvency or bankruptcy proceedings have been initiated against the group company except as mentioned below:-

Sr. No.	Case/Ref. No.	Forum	Parties	Brief facts of the case	Present Status
1	Company Petition No.33 / 2011	Allahabad High Court	Poonam Enterprises Vs. Dhampur Sugar Mills Ltd.	Winding up Petition was filed by M/s. Poonam Enterprises for their alleged outstanding dues. The principal amount of Rs. 6.60 lacs has since been paid. The Judgment was reserved on 30 <sup>th</sup> October, 2017 but on 18 <sup>th</sup> March, 2020 the matter was released by the same Court directing Office to place before Chief Justice for nomination of some other bench. The matter was placed before a nominated Bench on 10 <sup>th</sup> November, 2021 but the Counsel for	Formal Court Order awaited.

				<p>Poonam Enterprises sought adjournment on account of illness.</p> <p>An out of Court settlement has been made and the same shall be filed before Hon'ble High Court and the matter will be closed.</p>	
--	--	--	--	--	--

As on date of this Information Memorandum, the company is not a defunct company and there has been no application made to the registrar of companies for striking off its name.

The business activities of our Company are similar to that of DSML i.e., to carry out the dealings in and manufacturing of sugar, power, industrial alcohol, ethanol, chemicals and potable alcohol.

After effectiveness of the Scheme and demerger of the demerged undertaking, the Group Company does not have any interest in any transaction in acquisition of land, construction of building and supply of machinery, etc. in relation to our Company.

The Group Company has provided unsecured loans to our Company as disclosed in the "Financial Statements" on page 132

DSML was the Promoter of the Company immediately before the issue of shares pursuant to the Scheme of Arrangement.

Except pursuant to the Scheme, there are no business transactions between DSML and our Company which are significant to the financial performance of our Company.

#### *Litigation*

Except as disclosed in "Outstanding Litigation and Other Material Developments" on page 149, DSML is not party to any pending litigations which will have a material impact on our Company.

Except pursuant to the Scheme, there are no business transactions between DSML and our Company which are significant to the financial performance of our Company.

#### *Related party transactions*

For details on the related party transactions, please see "Related Party Transactions" on page 132

### **Shudh Edible Products Private Limited**

#### *Corporate Information*

Shudh Edible Products Private Limited (CIN: U51211DL2001PTC110287) was incorporated on April 3, 2001 under the Companies Act, 1956. In 2009, the Company was converted from "Private Limited" to "Public Limited". Further, the Company was again converted from "Public Limited" to "Private Limited" vide Shareholder's resolution dated October 31, 2020. The

registered office of the company is situated at 241, Okhla Industrial Estate Phase - III New Delhi- 110020. Shudh Edible Products Private Limited is not listed on any stock exchanges.

#### *Interest of our Promoters*

Some of our promoters are promoters of the Company

#### *Financial Information*

*(INR in Crores except per share data)*

<b>Particulars</b>	<b>FY 2021*</b>	<b>FY 2020*</b>	<b>FY 2019*</b>
Equity Capital	4.10	1.94	1.26
Other Equity	26.69	26.23	24.35
Total Income	5.10	6.38	4.92
Profit for the year	1.73	1.89	0.40
EPS (Basic & Diluted)	4.79	4.51	0.96
Net Asset Value	30.57	28.17	25.61

*\*extracted from audited financial statements of FY 2021, 2020, 2019*

#### **Other Confirmations**

The Company has not made a public issue in the three (3) years preceding the date of this Information Memorandum. However, Shudh Edible Products Private Limited has made right issue in Financial Year 2019-20.

The Company does not fall under the definition of sick industrial company under the Sick Industrial Companies (Special Provisions) Act, 1985 or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016.

Further no winding up, insolvency or bankruptcy proceedings have been initiated against our Company under same management.

As on date of this Information Memorandum, the company is not a defunct company and there has been no application made to the registrar of companies for striking off its name.

Our Company under same management does not have any interest in any transaction in acquisition of land, construction of building and supply of machinery, etc. in relation to our Company.

The Company has not provided any unsecured loans to our Company.

#### ***Litigation***

The Company is not party to any pending litigations which will have a material impact on our Company.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, a company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

The Company has adopted a dividend policy on May 30, 2022. The purpose of this policy is to ensure the right balance between Dividend pay-out and amount of profits retained in the business for future growth. The policy contains that the board shall endeavour to recommend/pay dividend in the range of 15% to 40% of profit after tax every year.

Our Company has not declared any dividend on the Equity Shares, since its incorporation.

## **SECTION VI – FINANCIAL INFORMATION**

### **FINANCIAL STATEMENTS**

Restated Audited Financial Statements for the financial year ended March 31, 2022 from page no. 83 to page no 143 of the Information Memorandum.



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### INDEPENDENT AUDITOR'S REPORT

To

The Members of

**DHAMPUR BIO ORGANICS LIMITED**

Asmoli, Sambhal, U.P.

Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated financial statements of **DHAMPUR BIO ORGANICS LIMITED** (hereinafter referred to as "the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to Consolidated Financial statements, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate Financial Statements and on the other financial information of the subsidiary as referred to in 'Other Matters' paragraph below,, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under





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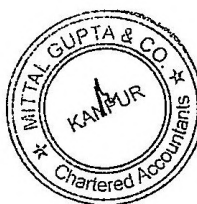
those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter:

1. Determination of Net Realizable Value of Sugar for comparison with Cost of Production (COP) for valuation of inventory:	
As on March 31, 2022, the Group has inventory of sugar with a carrying value of ₹ 988.42 Crores. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative value of inventory in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, and fluctuation in domestic and	<b>Principal Audit Procedures</b> We understood and tested the design and operating effectiveness of controls as established by the management in determination of cost of production and net realizable value of inventory of sugar. We considered various factors including the prevailing unit specific domestic selling price during and subsequent to the year end, minimum selling price & monthly quota, selling price for contracted sugar export and initiatives taken by the Government with respect to sugar industry as a whole.





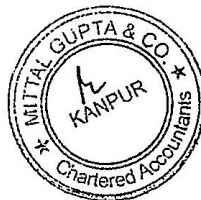
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international selling prices in determination of Net Realizable Value.	Based on the above procedures performed, the management's determination of the net realizable value of the inventory of sugar as at the year-end and comparison with cost for valuation of inventory is considered to be reasonable.
<b>2. Business Combination: Demerger of three undertakings from Dhampur Sugar Mills Limited and merger with into Company – Refer Note No 42 of the Consolidated Financial Statements.</b>	
As per the Scheme of Arrangement of demerger ('the Scheme'), three undertakings has demerged from Dhampur Sugar Mills Limited (DSM) and merged into the Holding Company w.e.f. April 1, 2021. The Scheme was approved by National Company Law Tribunal ('NCLT') vide order dated April 27, 2022. The Group has given effect of the Scheme in the consolidated financial statements considering business combination under common control as per the requirements of Ind AS 103. The Scheme has a significant impact on the consolidated financial statements of the Group including reserve and comparative figures basis which the same is considered as a key audit matter for the year.	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none"><li>• Obtained and read the Scheme, and compared the assets and liabilities pertaining to three undertakings considered for accounting as per the Scheme.</li><li>• Assessed the accounting as per applicable accounting standards including, for cancellation of shareholding of DSM and issuing of equity shares to shareholders of DSM as per the share swap ratio approved in the Scheme.</li><li>• Obtained and read the approval of National Company Law Tribunal (NCLT) giving effect to the Scheme.</li><li>• Assessed accounting in accordance with Scheme.</li><li>• Tested underlying workings used in accounting calculations, including for previous year (March 31, 2021) restated financial information of the Group.</li><li>• Read and assessed the disclosures in the consolidated financial statements for compliance with disclosure requirements.</li></ul>





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	Based on the above procedures performed, the accounting of business combination and its presentation in the consolidated financial statements by the management considered appropriate and found to be in compliance with the Scheme and applicable accounting standard.
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### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and cash flows of the Group in accordance with the accounting principles





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generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the entities included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each entity.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





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- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to Consolidated Financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors,
- Conclude on the appropriateness of Board of Director's of the Holding Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated





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Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the standalone financial statements of one subsidiary company i.e. Dhampur International Pte Ltd. considered in the preparation of the Consolidated Financial Statements and which together constitutes total assets of ₹ 7.38 Crores as at March 31, 2022, total revenue of ₹ 0.42 Crores and total comprehensive loss (comprising of net income after tax and other comprehensive income) of ₹ 4.34 Crores for the year ended March 31, 2022. These standalone financial statements and other financial information have been audited by other firm of Chartered accountants whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and





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disclosures included in respect of aforesaid subsidiary company, and our report in terms of sub section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary company, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements provided by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure - 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
3. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2022





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taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Group, as detailed in note no. 37 to the consolidated financial statements, has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
  - The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022.
  - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company.
  - (a) The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the holding company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on





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behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub- clause (i) and (ii) of Rule 11 (e) as provided under paragraph (2) (h) (iv) (a) & (b) above, contain any material misstatement.

v) The Group has not declared or proposed dividend during the year.

FOR MITTAL GUPTA & CO.

Chartered Accountants

FRN 01874C

*Bihari Lal Gupta*  
(Bihari Lal Gupta)

Partner

Membership No. 073794

Place: New Delhi

Date: 30.05.2022

UDIN: 22073794 ALFYL R7516





## Mittal Gupta & Co.

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Annexure A to the Independent Auditor's Report to the members of Dhampur Bio Organics Limited on its consolidated financial statements dated 30.05.2022.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

xxi) Since, the Group has not any Indian Subsidiary Company, the provisions of paragraph (xxi) of the Order are not applicable to the group.

FOR MITTAL GUPTA & CO.

Chartered Accountants

FRN 01874C

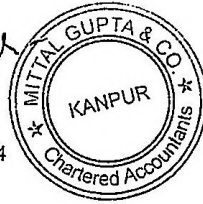
*B. L. Gupta*  
(Bihari Lal Gupta)

Partner

Membership No. 073794

Place: New Delhi

Date: 30.05.2022





## Mittal Gupta & Co.

Chartered Accountants

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Annexure B to the Independent Auditor's Report to the members of Dhampur Bio Organics Limited on its consolidated financial statements dated 30.05.2022.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 3(f) of 'Report on Other Legal and Regulatory Requirements' section

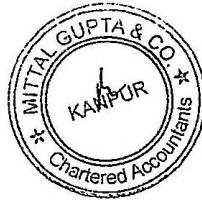
In conjunction with our audit of the Consolidated Financial Statements of Dhampur Bio Organics Limited ("the Holding Company") as of March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date, as of March 31, 2022.

### Management's Responsibility for Internal Financial Controls

The Management of Holding Company and its Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial





## Mittal Gupta & Co.

Chartered Accountants

14 Ratan Mahal 15/197 Civil Lines, New Delhi -208001

Tel: 0512-2303234, 2303235, 4009111 E-mail: mgco@mgcoca.in

statements were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls System Over Financial Reporting with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.



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**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR MITTAL GUPTA & CO.**

Chartered Accountants

FRN 01874C

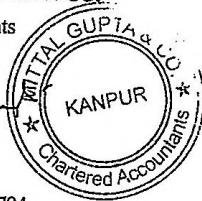
*Bihari Lal Gupta*  
(Bihari Lal Gupta)

Partner

Membership No. 073794

Place: New Delhi

Date: 30.05.2022





**Dhampur Bio Organics Limited**  
Consolidated Balance sheet as at March 31, 2022

Particulars	Note No.	As at March 31, 2022	(₹ in Crore) As at March 31, 2021*
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	684.07	621.54
Right-of-Use Assets	5	6.43	9.12
Capital Work-in-progress	6	77.90	6.99
<b>Intangible Assets</b>			
<b>Financial Assets</b>			
(i) Investments	7	-	0.19
(ii) Others	8 (i)	1.72	1.40
<b>Other Non-Current Assets</b>	9 (i)	8.47	11.33
<b>Total Non-Current Assets</b>	(a)	778.59	650.57
<b>Current Assets</b>			
Inventories	10	1,056.64	717.39
<b>Financial Assets</b>			
(i) Trade Receivables	11	107.51	106.56
(ii) Cash and Cash Equivalents	12	22.98	13.87
(iii) Bank balances other than (ii) above	13	2.03	0.81
(iv) Loans and Advances	14	2.35	5.88
(v) Others	8 (ii)	0.31	0.05
<b>Other Current Assets</b>	9 (ii)	30.13	56.01
<b>Total Current Assets</b>	(b)	1,221.55	900.57
<b>Total Assets</b>	(a+b)	2,000.54	1,551.14
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	15	66.39	66.39
Other Equity	16	811.06	708.56
<b>Total Equity</b>	(c)	877.45	774.95
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	17 (i)	104.83	99.19
(ii) Lease Liabilities	18 (i)	3.96	5.73
Provisions	21 (i)	17.53	17.36
Deferred tax liabilities (net)	24	34.55	30.73
<b>Other Non-Current Liabilities</b>	22 (i)	5.76	5.45
<b>Total Non-Current Liabilities</b>	(d)	166.63	158.46
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	17 (ii)	717.96	295.85
(ii) Lease Liabilities	18 (ii)	1.90	2.07
(iii) Trade Payables	19	3.40	0.28
(a) Due to Micro and Small Enterprises		165.27	297.59
(b) Other than Micro and Small Enterprises		36.97	12.74
(iv) Others	20	2.38	1.15
Provisions	22 (ii)	27.85	8.05
<b>Other Current Liabilities</b>	23	0.73	-
<b>Total Current Liabilities</b>	(e)	936.46	617.73
<b>Total Equity And Liabilities</b>	(c+d+e)	2,000.54	1,551.14

The accompanying notes from 1 to 55 form an integral part of the Consolidated Financial Statements.

\*Presented pursuant to the Ind AS 103 (Refer note 42)

This is the Consolidated Balance Sheet referred to in our report of even date

For Mittal Gupta & Co.  
Chartered Accountants  
Firm Registration No.: 01874C

Bikash Lal Gupta  
Partner

M. No: 073794  
Place: New Delhi  
Date: May 30, 2022



For and on behalf of Board of Directors  
Dhampur Bio Organics Limited

V. C. Goyal  
Chairman  
(Din 00073317)

Place: New Delhi  
Date: May 30, 2022

Sandeep Kumar Sharma  
Whole Time Director  
(Din 05906510)



Nalin Kumar Gupta  
Chief Financial Officer

Ashu Rawat  
Company Secretary



**Dhampur Bio Organics Limited**  
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note No.	For the year ended March 31, 2022	(₹ in Crore) For the period ended March 31, 2021
<b>Income</b>			
I. Revenue from Operations			
II. Other Income	25	1,540.90	-
III. Total Income	26	7.69	-
IV. Expenses		1,548.59	-
(a) Cost of Raw Materials Consumed	27	1,434.67	-
(b) Purchase of Stock-in-Trade	28	7.91	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(310.99)	-
(d) Employees benefits expenses	30	73.63	-
(e) Depreciation and Amortisation	31	31.29	-
(f) Finance costs	32	30.13	-
(g) Other Expenses	33	152.98	0.01
Total Expenses		1,419.62	0.01
V. Profit/(Loss) Before Exceptional Items and Tax (III-IV)		128.97	(0.01)
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Tax (V-VI)		128.97	(0.01)
VIII. Tax Expense			
(a) Current Tax	34	23.29	-
(b) Deferred Tax	34	3.79	-
IX. Profit/(Loss) for the year (VII-VIII)		101.89	(0.01)
X. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	35		
- Remeasurement benefits (losses) on defined benefit obligation		0.12	-
- Gain (loss) on fair value of equity investments		(0.01)	-
(ii) Tax on above		(0.03)	-
B (i) Items that will be reclassified to profit or loss			
- Foreign Currency Translation Reserve		0.35	-
Other Comprehensive Income to be transferred to Other Equity for the year		0.43	-
XI. Total Comprehensive Income for the year (IX+X)		102.32	(0.01)
XII. Earnings Per Share:			
Basic: (₹)	36	15.95	(23.25)
Diluted: (₹)	36	15.35	(23.25)

The accompanying notes from 1 to 55 form an integral part of the consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Mittal Gupta & Co.  
Chartered Accountants  
Firm Registration No.: 01874C

Bilhari Lal Gupta  
Partner  
M. No: 073794

Place: New Delhi  
Date: May 30, 2022



For and on behalf of Board of Directors  
Dhampur Bio Organics Limited

V. K. Goel  
Chairman  
(DIN 00753127)

Place: New Delhi  
Date: May 30, 2022

Sandeep Kumar Sharma  
Whole Time Director  
(DIN 05985494)



Nalin Kumar Gupta  
Chief Financial Officer  
(DIN 05985494)

Ashutosh Rayal  
Company Secretary



Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
<b>A. Cash flow from operating activities</b>	128.97	(0.01)
Net Profit / (Loss) for before tax the year		
Adjustments for:	(0.51)	-
Interest income	(1.67)	-
Loss / (Profit) on Sale of Property, Plant and Equipment (net)	0.18	-
Transfer to Sugar Molasses Fund	31.29	-
Depreciation	30.13	-
Interest expense	0.06	-
Allowance for expected credit loss	0.35	-
Foreign Currency Translation Reserve	0.67	-
Bad debts written-off	189.46	(0.01)
Operating cash flow before working capital changes	(399.25)	-
Changes in inventories	(1.90)	-
Changes in trade and other receivables	(0.52)	-
Changes in other non current and current financial asset	25.83	-
Changes in other non current and other current assets	(128.90)	-
Changes in trade and other payables	24.23	-
Changes in other non-current and other current financial liabilities	5.70	-
Changes in other non-current and other current liabilities	1.52	-
Changes in long term and short term provision	(223.01)	(0.01)
Cash (used in) / generated from operations	(226.56)	-
Income taxes (paid) / Refund (net)	A.	(226.47)
<b>Net Cash Generated from / (used in) Operating Activities</b>		
<b>B. Cash flow from Investing activities</b>	(161.90)	-
Purchase of Property, Plant and Equipment and Intangible assets	18.99	-
Proceeds from sale of Property, Plant and Equipment and Intangible assets	0.18	-
Investment sold	3.53	-
Changes in Loans (Net)	2.13	-
Interest received	-	-
Changes in fixed deposits placed with Banks	B.	(138.29)
<b>Net cash generated from Investing activities</b>		
<b>C. Cash flow from financing activities</b>	(2.54)	0.01
Payment of lease liability	-	-
Proceeds from equity share capital	(47.57)	-
Repayment of long term borrowings	84.25	-
Proceeds from long term borrowings	392.50	-
Proceeds / (Repayment) of short term borrowings	(32.77)	-
Interest payment on borrowings	C.	0.01
<b>Net cash generated from / (used in) financing activities</b>	9.11	-
Net increase in cash and cash equivalents (A+B+C)	#	-
Cash and cash equivalents at the beginning of year	13.67	-
Add: Cash and cash equivalents acquired on pursuant to the Scheme of Arrangement (Refer note 42)		-
<b>Cash and cash equivalents at the end of year (refer note below)</b>	22.58	#

**Note:**

- The above consolidated statement of cash flow has been prepared under the indirect method setout in Indian Accounting Standard (Ind AS 7).
- Figures in brackets indicate cash outflow from respective activities.
- Cash and cash equivalents as at the Balance Sheet date consists of:

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
(i) Cash in hand	0.55	-
(ii) Cheque in Hand	15.58	-
(iii) Balances with banks	6.85	-
<b>Total</b>	22.58	-

\* In previous year amount for Cash and cash equivalents at the end of year was ₹ 34.15%  
\* Presumed pursuant to the Ind AS 103 (Refer note 42)

The accompanying notes from 1 to 56 form an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For Mittal Gupta & Co.  
Chartered Accountants  
Firm Registration No: 018740

Bilal Lal Gupta  
Partner  
M. No: 073794

Place: New Delhi  
Date: May 30, 2022



For and on behalf of Board of Directors  
Dhampur Bio Organics Limited

V. K. Goyal  
Chairman  
(Din 03075317)

Place: New Delhi  
Date: May 30, 2022

Sandeep Kumar Sharma  
Whole Time Director  
(Din 06306538)



Nalin Kumar Gupta  
Chief Financial Officer

Ashu Rawat  
Company Secretary

## 1 Company Overview

### Corporate Information

The consolidated financial statements comprises financial statements of Dhampur Bio Organics Limited ('the Company') and its subsidiary Company, Dhampur International PTE Ltd (collectively referred to as 'the Group') for the year ended March 31, 2022.

The Company having having CIN No. U15100UP2020PLC136939 is a public limited company and incorporated under the provision of the Companies Act, 2013 applicable in India and has its registered office of the Company is situated at Sugar Mill Compound, Village Asmoli Sambhal Moradabad Uttar Pradesh, India.

Allahabad Bench of the NCLT, through its order dated April 27, 2022 (the "Order"), which became effective May 3, 2022 has approved the Scheme of Arrangement ("the Scheme") between Dhampur Sugar Mills Limited ("DSM" or "Demerged Company") and Dhampur Bio Organics Limited ("Resulting Company"/"The Company") and their respective shareholders and creditors. The scheme has been approved by Board of Directors of both the Companies on June 7, 2021 for Demerger of manufacturing units of Sugar, chemicals and co-generation of the Demerged company situated at Asmoli, District Sambhal, Mansurpur, district Muzaffarnagar and Meeranji, district Bareilly (Collectively referred to as "Demerged Undertakings") and for transfer of entire equity shares of Dhampur International PTE Ltd from Demerged Company into Resulting Company with effect from Appointed Date i.e. April 01, 2021. Accordingly, the consolidated financial statements have been prepared after giving effect of the Scheme.

The existing equity shares of the Company are at present not listed on the Stock Exchanges and are being held by DSM. As per the provision of the Scheme, the existing equity shares shall stand cancelled on allotment of new equity shares to the shareholders of DSM in the ratio of 1:1. The Company has allotted the new equity shares on May 23, 2022 and these shares will be listed on two stock exchanges namely, National Stock Exchange and Bombay Stock Exchange.

The company is engaged mainly in the manufacturing and selling of sugar, chemicals, ethanol and co-generation and sale of power.

Its allied business consist of Business of importers, exporters of sugar, ethyl alcohol and other agri commodities.

## 2 Consolidated Significant Accounting Policies:

The significant accounting policies applied by the Company in the preparation of its consolidated consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

### i. Basis of preparation and presentation

#### a. Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and relevant amendment rules thereafter and accounting principles generally accepted in India.

These consolidated financial statements are approved and adopted by Board of Directors in their meeting held on Monday, May 30, 2022.

#### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, assets for defined benefit plans and Biological assets that are measured at fair value, assets held for sale which is measured at lower of cost and fair value less cost to sell as explained further in notes to consolidated financial statements.

#### c. Functional and presentation currency

The consolidated financial statements are presented in Indian rupees (₹) and all values are rounded to the nearest crores and two decimals thereof, except if otherwise stated.

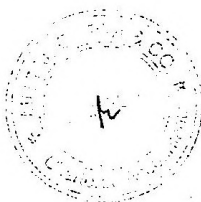
#### d. Basis of Consolidation

The consolidated financial statements related to Dhampur Bio Organics Limited ("The Company" and its Subsidiary Collectively referred as the "Group"). The Company consolidates all entities which are controlled by it.

In the case of subsidiary company, control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.



Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary. Under the scheme of Arrangement, the Group obtained control on the Subsidiary w.e.f. April 1, 2021 (Refer Note No. 42). The Proportion of ownership in the subsidiary is as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest
Dhampur International PTE Ltd	Singapore	100.00%

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on March 31.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**e. Consolidation procedure**

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to owners of the Company.
- Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the owners of the Company.

**ii. Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is treated as current when it satisfies any of the following criteria:

- Expected to be settled in the Group's normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

The Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.



iii. Property, plant and equipment & capital work-in-progress

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is being recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Freehold lands are stated at cost. All other items of property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation, and impairment loss, if any.

Property, plant and equipment acquired under the Scheme of arrangement of demerger of undertakings are stated at the carrying amount appearing in the books of Demerged Group.

The cost of an asset includes the purchase cost of material, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. For this purpose, cost includes carrying value as Deemed cost on the date of transition. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption. When parts of an item of PPE have different useful lives, they are accounted for as separate component.

The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and resultant gain or loss are recognized in the Statement of Profit and Loss.

Assets identified and technically evaluated as obsolete are retired from active use and held for disposal are stated at the lower of its carrying amount and fair value less cost to sell.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

iv. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. For this purpose, cost includes carrying value as Deemed cost on the date of transition.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the statement of profit and loss.

v. Depreciation and amortization

The classification of plant and machinery into continuous and non-continuous process is done as per their use and depreciation thereon is provided accordingly. Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

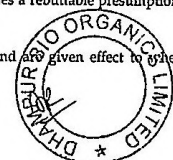
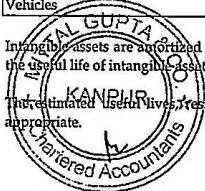
The management has estimated the useful lives and residual values of all property, plant and equipment and adopted useful lives as stated in Schedule II of the Companies Act, 2013.

The Group has used the following useful lives to provide depreciation on its tangible assets:

Assets	Useful Lives
Building	03-60 years
Plant & equipment	15-40 years
Furniture & fixtures	10 years
Weighbridge	15 years
Computers	03 years
Office equipment	05 years
Electrical appliances	15 years
Vehicles	08 years

Intangible assets are amortized on a straight-line basis over the estimated useful economic life of the assets. The Group uses a rebuttable presumption that the useful life of intangible assets is ten years from the date when the assets is available for use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to wherever appropriate.



vi. Foreign currency translations

Transactions and balances

The Group's consolidated Ind AS financial statements are presented in Indian Rupee, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

vii. Inventories

Raw material, process chemicals, stores and packing material are measured at weighted average cost.

Work in progress, traded and finished goods (other than by products and scraps) are measured at lower of cost or net realizable value.

By products and scrap are carried at estimated Net Realizable Value.

Cost of finished goods and work in progress comprises of raw material cost (net of realizable value of By-products), variable and fixed production overhead, which are allocated to work in progress and finished goods on full absorption cost basis. Cost of inventory also includes all other cost incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

Net realizable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

viii. Revenue recognition

The Group derives revenue primarily from sale of sugar and other by-products produced from processing of sugar cane, sale of power and sale of chemicals.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration, the Group expect to receive in exchange of those products or services. Revenue is inclusive of excise duty and excluding estimated discount, pricing incentives, rebates, other similar allowances to the customers and excluding goods and service tax and other taxes and amounts collected on behalf of third parties or government, if any.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Contract Revenue

Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable that such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

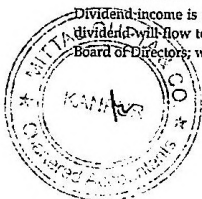
The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the contract will flow to the Group;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.



**Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

**Insurance claims**

Insurance claim are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**Export incentives**

Export incentives are accounted for in the year of exports based on eligibility and when there is no significant uncertainty in receiving the same.

**Other incomes**

All other incomes are accounted on accrual basis.

**ix. Expenses**

All expenses are accounted for on accrual basis.

**x. Long term borrowings**

Long term borrowings are initially recognised at net of material transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**xi. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Other borrowing costs are expensed in the period in which they are incurred. Transaction costs incurred for long term borrowing until are not material are expensed in the period in which they are incurred.

**xii. Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset even if that right is not explicitly specified in an arrangement.

**Group as a lessee**

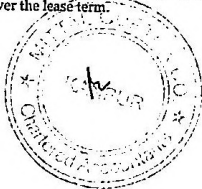
The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.



**Group as a lessor**

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

**xiii. Provision for current and deferred tax**

**(a) Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group will update the amount in the financial statement if facts and circumstance change as a result of examination or action by tax authorities.

**(b) Deferred tax:**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax is recognized in Statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax (MAT) credits is recognised as deferred tax assets in the Balance Sheet only when the asset can be measured reliably and to the extent there is convincing evidence that sufficient taxable profit will be available against which the MAT credits can be utilised by the Group in future.

**xiv. Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment.

Other intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Carrying amount of assets is reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factor. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Impairment is charged to the profit and loss account in the year in which an asset is identified as impaired.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**xv. Government grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Government grants related to assets, including non-monetary grants recorded at fair value, are treated as deferred income and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



xvi. Provisions, contingent liabilities and assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

A contingent asset is not recognised but disclosed, when probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

xvii. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which are subject to an insignificant risk of changes in value.

xviii. Dividend payable

Dividends and interim dividends payable to a Group's shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively.

xix. Non-current assets (or disposal group) held for sale and discontinued operations:

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

xx. Equity Issue Expenses

Expenses incurred on issue of equity shares are charged in securities premium account in the year in which it is incurred.

xxi. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

Initial recognition and measurement

All financial assets, except trade receivables are initially recognized at fair value. Trade receivables are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value of the financial assets, as appropriate, on initial recognition.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is determined using the Effective Interest Rate (EIR) method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income for these financial assets is included in other income using the effective interest rate method.



c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

d) Equity investments

All equity investments, except investments in subsidiary company are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in subsidiary company are carried at cost except for the equity investments in subsidiary company as at the transition date which are carried at deemed cost being fair value as at the date of transition.

Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with the assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 "Financial Instruments" which requires expected lifetime losses to be recognised from initial recognition of receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed

Derecognition of financial assets:

The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

B. Financial Liabilities

Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method or at FVTPL.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

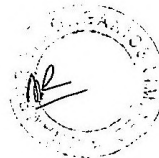
For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities:

A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when, and only when the obligation specified in the contract is discharged or cancelled or expires.

C. Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



xxii. Derivative Financial Instruments and Hedge Accounting

The Group uses various derivative financial instruments to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**A. Cash Flow Hedge:** The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**B. Fair Value Hedge:** The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used for amortising to Statement of Profit and Loss over the period of maturity.

xxiii. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

xxiv. Employees benefits

a) Short-term obligations

Short-term obligations for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service up to the end of the reporting period are recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

b) Post-employment obligations

i. Defined contribution plans

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make contribution at a specified percentage of the covered employee's salary. The contributions, as specified under Defined Contribution Plan to Regional Provident Commissioner and the Central Provident Fund recognised as expense during the period in the statement of profit and loss.



ii. Defined benefit plans

• **Non-funded defined benefits plans:** The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Group. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation.

The service cost and net interest on the net defined benefit liability/(asset) is included in employees benefits expenses in the statement of profit and loss.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

Re-measurement gain and loss arising from experience adjustments and change actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not classified to the Statement of Profit and Loss in subsequent periods.

• **Funded defined benefits plans:** The Group also made contribution to the provident fund set up as irrevocable trust. The Group is generally liable for monthly contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

c. Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss.

d. Voluntary retirement scheme

Compensation to employees who have opted for retirement under the "Voluntary Retirement scheme" is charged to the profit and loss account in the year of retirement.

The Group required to use updated actuarial assumptions to remeasure net defined benefit liability or assets on amendments, curtailment or settlement of defined benefit plan.

The Group adopted amendment to Ind AS 19 as required by said notification to determine:

- Current Service Costs and net interest for the period after remeasurement using the assumptions used for remeasurement and
- Net interest for the remaining period based on the remeasured net defined benefit liability or asset.

xxv. Operating segments

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un-allocable".

Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".

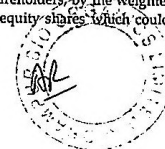
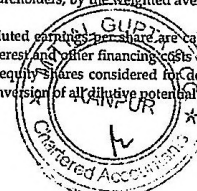
xxvi. Cash flow statement

Cash flows are stated using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of incomes and expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Group are segregated.

xxvii. Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit/(loss) for the year (before other comprehensive income), adjusting the after tax effect of interest and other financing costs associated with dilutive potential equity shares, attributable to the equity shareholders, by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.



**3 Use of estimates and management judgements**

The preparation of consolidated financial statements in conformity with Indian Accounting Standards (Ind AS) requires management of the Group to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets, liabilities and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date.

The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected

The areas involving critical judgement are as follows:

**i. Useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**ii. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

**iii. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**iv. Provision for income taxes and deferred tax assets**

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

Deferred tax assets are recognised for unused tax losses and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**v. Leases**

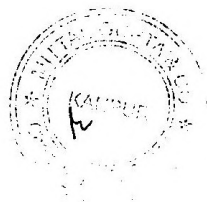
The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**vi. Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted price in markets, then fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

Non-Current Assets										
Note 4: Property, Plant and Equipment										
Particulars	Land	Building	Plant & Machinery	Computers	Vehicles	Furniture and fixtures	Office equipment	Weightbridge	Electrical Appliances	Farm Equipments
										(₹ in Crore) Total
<b>Gross Block</b>										
Gross Carrying amount as at October 6, 2020	-	-	-	-	-	-	-	-	-	-
Addition on Pursuant to Scheme	150.89	87.71	818.45	4.44	9.91	3.66	1.87	4.89	2.67	0.03
Addition during the period	-	-	-	-	-	-	-	-	-	-
Disposals/ Deductions during the period	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2021*	150.89	87.71	818.45	4.44	9.91	3.66	1.87	4.89	2.67	0.03
										1,084.52
Gross carrying amount as at April 1, 2021	150.89	87.71	818.45	4.44	9.91	3.66	1.87	4.89	2.67	0.03
Addition during the year	-	3.14	102.91	0.83	1.71	0.15	0.08	0.17	0.49	-
Disposals/ Deductions during the year	(0.11)	(0.40)	(55.59)	(0.64)	(2.60)	(0.06)	(0.12)	-	(0.03)	-
Gross carrying amount as at March 31, 2022	150.78	90.45	865.78	4.63	9.02	3.75	1.83	5.06	3.13	0.03
										1,134.46
<b>Accumulated Amortisation and Impairment losses</b>										
Particulars	Land	Building	Plant & Machinery	Computers	Vehicles	Furniture and fixtures	Office equipment	Weightbridge	Electrical Appliances	Farm Equipments
										(₹ in Crore) Total
Balance as at October 6, 2020	-	-	-	-	-	-	-	-	-	-
Addition on Pursuant to Scheme	-	36.80	408.13	3.76	4.25	3.12	1.46	3.59	1.86	0.01
Charge for the period	-	-	-	-	-	-	-	-	-	-
Disposals/ Deductions during the period	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021*	-	36.80	408.13	3.76	4.25	3.12	1.46	3.59	1.86	0.01
										462.98
Balance as April 1, 2021	-	36.80	408.13	3.76	4.25	3.12	1.46	3.59	1.86	0.01
Charge for the year	-	3.45	23.51	0.32	0.89	0.07	0.11	0.12	0.14	-
Disposals/ Deductions during the year	-	(0.34)	(39.13)	(0.60)	(0.94)	(0.06)	(0.11)	-	(0.02)	-
Balance as at March 31, 2022	-	39.91	392.51	3.48	4.20	3.13	1.46	3.71	1.98	0.01
										450.39
<b>Net Carrying Amount</b>										
As at March 31, 2021*	150.89	50.91	410.32	0.68	5.66	0.54	0.41	1.30	0.81	0.02
As at March 31, 2022	150.78	50.54	473.27	1.15	4.82	0.62	0.37	1.35	1.15	0.02
										621.54
										684.07

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 4.1 Disclosures

i. Refer to Note 45(c) for information on Property, Plant & Equipment hypothecated as security by the Company.

ii. Refer Note 37 (I) for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.

iii. There are no proceedings against the holding company, **Kanpur Bio Organics Limited**, that have been initiated or pending against them for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 5: Right-of-Use Assets

Particulars	As at		(₹ in Crore)
	March 31, 2022	March 31, 2021*	
<b>(a) Right-of-Use Assets</b>			
Gross Carrying Cost			Premises
Opening Balance			
Addition Pursuant to Scheme of Arrangement (Refer note 42)	12.31	-	
Disposals/deductions during the year	-	12.31	
Gross carrying amount	0.61		
	11.70	12.31	
<b>Depreciation</b>			
Opening Balance			
Addition Pursuant to Scheme of Arrangement (Refer note 42)	3.19	-	
Charges for the year	-	3.19	
Disposals/deductions during the year	2.69	-	
Closing Balance	0.61	-	
	5.27	3.19	
<b>Net Carrying Cost</b>			
	6.43	9.12	

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 6: Capital Work-in-progress

Particulars	As at		(₹ in Crore)
	March 31, 2022	March 31, 2021*	
Opening balance			
Plant and equipment/Civil Work-in-progress	(A)		
	6.99	-	
Additions during the year			
Add: Addition Pursuant to Scheme of Arrangement (Refer note 42)	-	6.99	
Add: Additions during the year	170.75		
	(B)		
Total CWIP during the year	170.75	6.99	
Capitalised during the year	C=(A+B)	6.99	
	177.74		
Finance Cost Capitalized during the year#	98.27	-	
Total Capitalized during the year	1.57		
	D		
Closing Balance	99.84	-	
	E=(C-D)	77.90	6.99

# The finance costs on specific borrowings capitalized during the year amounted to Rs. 1.57 Crore using the capitalization rate of 3.98 % per annum which is the effective interest rate of the specific borrowings. Further, the Company has not capitalized any borrowing costs on its general borrowings.

Note 6.1: Capital Work-in-progress aging schedule

CWIP aging schedule as at March 31, 2022

Particulars	Amount in CWIP for a period of				(₹ in Crore)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	77.90	-	-	-	77.90
Projects temporarily suspended#					
					Nil

CWIP aging schedule as at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.99	-	-	-	6.99
Projects temporarily suspended#					
					Nil

#No Projects have been temporarily suspended.

Note 6.2:

There is no project in progress as at March 31, 2021 and March 31, 2022 whose completion is overdue nor the cost of any project has exceeded the amount compared to its original plan.

\*Presented pursuant to the Ind AS 103 (Refer note 42)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

**Note 7: Financial assets - Non-Current Investments**

Particulars	₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
(I) Equity Instruments		
Investment in others (Quoted)		
BP PLC (FY: 6400 Equity shares at Face value GBP 5.7269)	-	0.19
<b>Total</b>	-	0.19

**Note 7.1: Disclosure for Measurement of Investments**

Particulars	₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Investment carried at deemed cost/Cost	-	-
Investment carried at fair value through FVTPL	-	-
Investment carried at fair value through OCI	-	0.19

**Note 7.2: Disclosure for Valuation method used**

Particulars	₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Aggregate amount of quoted investments and market value	-	0.19
Aggregate amount of unquoted investments	-	-

\*Presented pursuant to the Ind AS 103 (Refer note 42)

**Note 8: Financial assets - Others**

Particulars	₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
(Unsecured and considered good, unless otherwise stated)		
(i) Non- Current		
Security deposits		
- to related parties#	1.14	1.38
- to others	0.58	0.02
<b>Total</b>	1.72	1.40

#Security deposits primarily includes deposits given towards rented premises.

(ii) Current

Interest Receivable	0.08	0.02
Other Recoverable	0.23	0.03
<b>Total</b>	0.31	0.05

\*Presented pursuant to the Ind AS 103 (Refer note 42)

**Note 9: Other Assets**

Particulars	₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
(Unsecured and considered good, unless otherwise stated)		
(i) Non-Current		
Capital Advances	7.95	10.86
Statutory Dues Paid under Protest	0.52	0.47
<b>Total</b>	8.47	11.33
(ii) Current		
Advance to Suppliers	20.17	4.19
Advances to employees	0.05	0.17
Balance with Revenue authorities	3.45	0.34
Prepaid Expenses	3.42	3.55
Government Grants	2.15	44.84
Other Assets	0.89	2.91
<b>Total</b>	30.13	56.01

\*Presented pursuant to the Ind AS 103 (Refer note 42)

**Note 10: Inventories**

Particulars	₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
(refer note 2 (vii) for Mode of Valuation)		
Raw materials	43.51	13.06
Work-in-Progress	5.50	5.50
Finished goods	989.77	678.78
Stores & Spare parts	17.81	19.99
Loose Tools	0.05	0.06
<b>Total</b>	1,056.64	717.39

**Note:**

Inventory pledged/ hypothecated to banks for securing working capital facilities

Amount of write down of inventories recognized as expenses

\*Presented pursuant to the Ind AS 103 (Refer note 42)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 11: Trade Receivables			(₹ in Crore)
Particulars	As at March 31, 2022#	As at March 31, 2021*	
Trade receivable Considered good - Secured	-	-	
Trade receivable Considered good - Unsecured (Included Unbilled Revenue ₹ 10.97 Crore)	107.57	106.56	
Trade receivable which have Significant increase in Credit Risk	-	-	
Trade receivable - Credit Impaired	-	-	
	107.57	106.56	
Less: Allowance for expected credit losses	0.06	-	
<b>Total</b>	<b>107.51</b>	<b>106.56</b>	

# For related party balances refer note 43

Note 11.1: Trade Receivables Ageing

Trade Receivables Ageing Schedule as at March 31, 2022								(₹ in Crore)
Particulars	Outstanding for following Periods from due date of payments						Total	
	Not Due	Less than 6 Month	6 months to 1 year	1-2 Years	2-3 years	More than 3 years		
Undisputed considered good	34.71	60.70	1.19	-	-	-	96.60	
Undisputed Trade Receivables- which have	-	-	-	-	-	-	-	
Undisputed credit impaired	-	-	-	-	-	-	-	
Disputed considered good	-	-	-	-	-	-	-	
Disputed Trade Receivables - which have	-	-	-	-	-	-	-	
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	
Unbilled Revenue	10.97	-	-	-	-	-	10.97	
<b>Sub Total</b>	<b>45.68</b>	<b>60.70</b>	<b>1.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107.57</b>	
Less: Allowance for expected credit losses	-	-	-	-	-	-	0.06	
<b>Total</b>	<b>45.68</b>	<b>60.70</b>	<b>1.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107.51</b>	

Note: Trade Receivables as at March 31, 2021 represents the amount acquired pursuant to Scheme of Arrangement and hence ageing schedule has not been given.

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 12: Cash and cash equivalents			(₹ in Crore)
Particulars	As at March 31, 2022	As at March 31, 2021*	
(i) Cash in hand	0.55	0.43	
(ii) Cheque in Hand	15.58	-	
(iii) Balances with banks:			
-On Current Account	6.85	13.44	
<b>Total</b>	<b>22.98</b>	<b>13.87</b>	

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 13: Bank Balances other than cash and cash equivalents			(₹ in Crore)
Particulars	As at March 31, 2022	As at March 31, 2021*	
Deposits held as security or margin against guarantees	1.31	0.29	
Deposits earmarked for Molasses Storage Fund	0.72	0.52	
<b>Total</b>	<b>2.03</b>	<b>0.81</b>	

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 14: Loans			(₹ in Crore)
Particulars	As at March 31, 2022	As at March 31, 2021*	
(Loans receivables - Considered Good - Unsecured)			
- to related parties	-	-	
- to Others	2.35	5.88	
<b>Total</b>	<b>2.35</b>	<b>5.88</b>	

\*Presented pursuant to the Ind AS 103 (Refer note 42)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 15: Share Capital			(₹ in Crore)
a. Authorised Share Capital	No. of Shares		₹ in Crore
Equity Shares of ₹10/- each			
As at October 6, 2020	100000		0.10
Transfer of Authorised Shared Capital Pursuant to Scheme of Arrangement	91500000		91.50
As at March 31, 2021*	91600000		91.60
Changes During the year	-		-
As at March 31, 2022	91600000		91.60

b. Issued, subscribed & fully paid up/Share Capital Suspense Account:	No. of Shares		₹ in Crore
Equity Shares			
As at October 6, 2020	100000		0.10
Add: Addition Pursuant to Scheme of Arrangement	66387590		66.39
Less: Shares cancelled pursuant to the Scheme of Arrangement	(1,00,000)		(0.10)
As at March 31, 2021*	66387590		66.39
Changes during the year	-		-
As at March 31, 2022	66387590		66.39

\*Presented pursuant to the Ind AS 103 (Refer note 42)

c. Terms and rights attached to Equity Shares

The Company has a single class of equity shares having face value of ₹10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of share on which any call or other sums presently payable have not been paid.

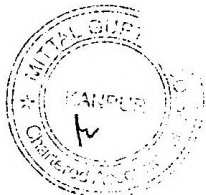
The company declares and pays dividend in Indian rupees. The holders of the equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shares held by the Holding Company, Details of Shareholding (more than 5% Equity Shares and promoters share holders)

The Scheme of demerger has been effective from May 3, 2022 and as per terms of scheme, one equity share of Rs 10 each is to be allotted to the existing share holders of Dhampur Sugar Mills Limited (DSML) as on the record date fixed for entitlement, against one share held by them in DSML. The Company has allotted 6,63,87,590 equity shares on May 23, 2022. The disclosure of promoter shareholding and share holder having 5% or more shareholding in the company is being disclosed based on the allotment made on May 23, 2022. Prior to that the entire paid up share capital of the company of Rs 100,000 being divided into 10,000 equity share of Rs 10/- each is being held by DSM w.e.f. March 31, 2021. These equity shares will stand cancelled as per terms of the scheme of demerger on the allotment of new equity shares.

e. Shareholders holding more than 5% of the Equity shares in the company as per allotment made on May 23, 2022

Name of Equity Shareholders	No. of Shares	% holding
Equity shares of ₹ 10 each fully paid-up		
Goel Investments Limited	10655515	16.05%
Shudh Edible Products Private Limited	4299680	6.48%
Sonitron Limited	4940716	7.44%
Gautam Goel	4242339	6.39%
Anil Kumar Goel	6000000	9.04%



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

f. Shareholding of Promoters as per allotment made on May 23, 2022

Promoter Name	No. of Shares	% of total shares
Vijay Kumar Goel	349116	0.53%
Ashok Kumar Goel	55384	0.08%
Gautam Goel	4242339	6.39%
Gaurav Goel	2016904	3.04%
Deepa Goel	2341936	3.53%
Bindu Vashist Goel	76350	0.12%
Ishira Goel	105525	0.16%
Vinita Goel	25050	0.04%
Shefali Poddar	31760	0.05%
Ritu Sanghi	7500	0.01%
Aparna Jalan	46100	0.07%
Asha Kumari Swaroop	4	0.00%
Goel Investments Limited	10655515	16.05%
Saraswati Properties Limited	3266758	4.92%
Shudh Edible Products Private Limited	4299680	6.48%
Sonitron Limited	4940716	7.44%
Ujjwal Rural Services Limited	125000	0.19%

g. Aggregate number and class of shares bought back:

The Company has not bought back shares in the last five years immediately preceding the balance sheet date.

h: No equity shares were allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash during the last five years as at the date of balance sheet. However 6,63,87,590 Equity shares have been allotted on May 23, 2022 in terms of Scheme of Arrangement (Refer Note 42) without payment received in cash.

Note 16: Other Equity

A. Reserve and Surplus

(i) Capital Reserve

Particulars	As at	
	March 31, 2022	March 31, 2021*
Opening Balance	708.41	-
Add: Addition Pursuant to Scheme of Arrangement (refer note 42)	-	708.41
Add: Addition during the year	-	-
Less: Utilised during the year	-	-
Closing Balance	708.41	708.41

(ii) Storage fund/reserve for molasses

Particulars	As at	
	March 31, 2022	March 31, 2021*
Opening Balance	-	-
Add: Transferred from retained earnings	0.17	-
Add: Molasses fund created during the year	0.18	-
Closing Balance	0.35	-

(iii) Retained Earnings

Particulars	As at	
	March 31, 2022	March 31, 2021*
Opening Balance	(0.01)	-
Add: Addition Pursuant to Scheme of Arrangement (refer note 42)	-	-
Add: Net Profit/(Loss) for the period	101.89	(0.01)
Add: Transferred from FVOCI Equity Investments	(0.15)	-
Less: Transfer to Molasses Storage Reserve fund	0.17	-
Closing Balance	101.56	(0.01)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

B. Other Comprehensive Income

(i) Remeasurement of post employment benefit obligation

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Opening Balance	-	-
Add: Addition during the year	0.09	-
Less: Utilised during the year	-	-
Closing Balance	0.09	-

(ii) FVOCI Equity Reserve

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening Balance	(0.14)	-
Add: Addition Pursuant to Scheme of Arrangement (refer note 42)	-	(0.14)
Add: Addition during the year	(0.01)	-
Less: Transferred to Retained Earnings	0.15	-
Closing Balance	-	(0.14)

(iii) Foreign currency translation reserve

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.30	-
Add: Addition Pursuant to Scheme of Arrangement (refer note 42)	-	0.30
Add: Addition during the year	0.35	-
Closing Balance	0.65	0.30

Total Other Equity	(A+B)	811.06	708.56
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\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 16.1 : Nature and purpose of reserves

(i) Capital Reserve

Capital reserve was created on transfer of demerged undertakings to the Company under the Scheme of Demerger.

(ii) Storage fund/reserve for molasses

The storage fund for molasses has been created to meet the cost of construction and maintenance of molasses storage tank as required under Uttar Pradesh Sheera Niyamtran (Sansodhan) Adesh, 1974.

(iii) Retained Earnings

Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company

(vi) Other Comprehensive Income

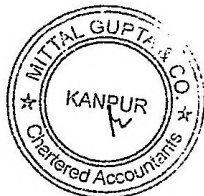
Other comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation and gain or loss on non-current equity investments.

(v) FVOCI equity investment

The Group has elected to recognise changes in fair value of certain investments in equity securities through OCI as Other Reserves. The Group transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.

(vi) Foreign currency translation reserve

Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e.) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 17: Financial Liabilities - Borrowings

Particulars	As at	
	March 31, 2022	March 31, 2021*
(i) Non-Current		
Secured Term Loans		
Rupee Loan From banks	109.94	102.79
Less: Ind AS Adjustment	5.11	3.60
Total	104.83	99.19
(ii) Current		
Secured		
Loan Payable on demands		
- Working Capital Loans from Banks (Cash credit)	664.00	270.47
Current maturities of long term borrowings	58.46	28.85
Less: Ind AS Adjustments	4.50	3.47
Total	717.96	295.85

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 18: Lease Liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021*
(i) Non-Current		
Lease Liabilities	3.96	5.73
Total	3.96	5.73
(ii) Current		
Lease Liabilities	1.90	2.07
Total	1.90	2.07

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 19: Trade Payables

Particulars	As at	
	March 31, 2022	March 31, 2021*
Due to Micro and Small Enterprises	3.40	0.28
Other than Micro and Small Enterprises	157.40	294.94
Unbilled Expenses	7.87	2.65
Total	168.67	297.87

Note 19.1: Trade Payables ageing schedule

Trade Payables Ageing Schedule as at March 31, 2022

Particulars	Outstanding for following Periods from due date of payments				
	Not Due/Hold	Less than 1 Year	1-2 Years	2-3 years	More than 3 years
MSME	-	3.40	-	-	-
Other	-	156.56	0.77	0.07	-
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Other	-	-	-	-	-
Unbilled Dues	7.87	-	-	-	-
Total	7.87	159.96	0.77	0.07	-

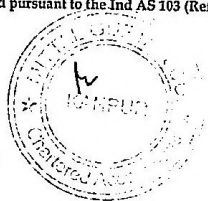
Note: Trade payable as at March 31, 2021 represents the amount acquired pursuant to Scheme of Arrangement and hence ageing schedule has not been given.

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 20: Other Current Financial Liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021*
Interest Accrued on MSME	0.24	0.24
Employee Benefits Payable	10.19	8.14
Security Deposits	2.09	3.12
Capex Vendors	12.98	-
Other Payables	8.26	0.26
Retention Money Payable	3.12	0.98
Total	35.97	12.74

\*Presented pursuant to the Ind AS 103 (Refer note 42)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 21: Provisions

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
(i) Non-Current		
Provision for Employee Benefits		
Gratuity	17.53	17.36
<b>Total</b>	<b>17.53</b>	<b>17.36</b>
(ii) Current		
Provision for Employee Benefits		
Gratuity	2.38	1.15
<b>Total</b>	<b>2.38</b>	<b>1.15</b>

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 22: Other Liabilities

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
(i) Non-Current		
Deferred Govt. Grants	5.76	5.45
<b>Total</b>	<b>5.76</b>	<b>5.45</b>
(ii) Current		
Deferred Govt. Grants	4.74	3.62
Advance from customers	17.88	1.40
Statutory dues payable	5.23	3.03
<b>Total</b>	<b>27.85</b>	<b>8.05</b>

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Note 23: Current Tax Liabilities

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Current Tax Payable	23.29	-
Less : Prepaid Taxes	22.56	-
<b>Total</b>	<b>0.73</b>	<b>-</b>

\*Presented pursuant to the Ind AS 103 (Refer note 42)

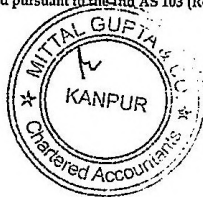
Note 24: Deferred Tax Liability

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Deferred Tax Asset :		
On account of temporary differences on allowability of expenses for tax purposes	6.72	5.39
MAT Credit Entitlement	49.45	63.71
<b>Total Deferred Tax Assets</b>	<b>56.17</b>	<b>69.10</b>
Deferred Tax Liability :		
On account of property plant & equipments (other than land)	86.96	94.49
On account of difference in the tax base value and carrying amount of land	3.76	5.34
<b>Total Deferred Tax Liability</b>	<b>90.72</b>	<b>99.83</b>
<b>Deferred Tax Liability/(Asset) - Net</b>	<b>34.55</b>	<b>30.73</b>

Note 24.1: Movement in deferred tax liabilities/ (assets)

Particulars	Deferred Tax Assets			Deferred Tax Liabilities			Total
	Employee retirement benefits	MAT credit entitlement	Allowability of expenses	Property, plant & equipments	Land		
At March 31, 2021*	-	(63.71)	(5.39)	94.49	5.34		30.73
Recognized in profit or loss	(0.07)	14.26	(1.29)	(7.53)	(1.58)		3.79
Recognized in OCI	0.03	-	-	-	-		0.03
At March 31, 2022	(0.04)	(49.45)	(6.68)	86.96	3.76		34.55

\*Presented pursuant to the Ind AS 103 (Refer note 42)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 25: Revenue from Operations			(₹ in crores)
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021	
<b>Revenue from Operations*</b>			
Manufactured Goods	1,518.77	-	
Traded Goods	8.09	-	
<b>Other Operating Revenue</b>			
Scrap Sales	3.30	-	
Government Grant	9.90	-	
Others	0.84	-	
<b>Total</b>	<b>1,540.90</b>	<b>-</b>	

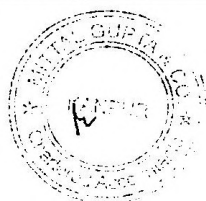
\*Refer Note 41

Note 26: Other Incomes			(₹ in crores)
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021	
<b>Interest Income</b>			
- from banks and others	0.44	-	
- from financial assets carried at amortized cost	0.08	-	
<b>Income from Rent</b>	<b>2.49</b>	<b>-</b>	
<b>Profit on sale of Property, Plant &amp; Equipments</b>	<b>1.86</b>	<b>-</b>	
<b>Balances/ Provision No longer required written back</b>	<b>0.22</b>	<b>-</b>	
<b>Foreign Exchange gain</b>	<b>0.04</b>	<b>-</b>	
<b>Miscellaneous Income</b>	<b>2.56</b>	<b>-</b>	
<b>Total</b>	<b>7.69</b>	<b>-</b>	

Note 27: Cost of Raw Material Consumed			(₹ in crores)
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021	
<b>Cost of material consumed</b>			
- Sugar cane	1,416.41	-	
- Molasses	11.02	-	
- Bagasse and other fuel	7.05	-	
- Chemicals and others	0.19	-	
<b>Total</b>	<b>1,434.67</b>	<b>-</b>	

Note 28: Purchase of Stock-in-Trade			(₹ in crores)
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021	
<b>Cane Development Product</b>	<b>7.91</b>	<b>-</b>	
<b>Total</b>	<b>7.91</b>	<b>-</b>	

Note 29: Changes in inventories of finished goods, work-in-progress and stock-in-trade			(₹ in crores)
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021	
<b>Closing Stock :</b>			
Finished stock	989.77	-	
Work-in-Progress	5.50	-	
<b>Total (A)</b>	<b>995.27</b>	<b>-</b>	
<b>Less: Inventories acquired pursuant to Scheme :</b>			
Finished stock	678.78	-	
Work-in-Progress	5.50	-	
<b>Total (B)</b>	<b>684.28</b>	<b>-</b>	
<b>(Increase)/ Decrease in Inventories (A-B)</b>	<b>(310.99)</b>	<b>-</b>	



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

**Note 30: Employees benefits expenses**

Particulars	₹ in crores)	
	For the year ended March 31, 2022	For the period ended March 31, 2021
Salaries and wages	65.91	-
Contribution to Provident & other funds	5.60	-
Gratuity	1.28	-
Voluntary retirement compensation	0.28	-
Workmen & staff welfare expenses	0.56	-
<b>Total</b>	<b>73.63</b>	<b>-</b>

**Note 31: Depreciation and Amortization**

Particulars	₹ in crores)	
	For the year ended March 31, 2022	For the period ended March 31, 2021
Depreciation of Property, Plant and Equipment	28.60	-
Depreciation of Right-of-Use Assets	2.69	-
<b>Total</b>	<b>31.29</b>	<b>-</b>

**Note 32: Finance costs**

Particulars	₹ in crores)	
	For the year ended March 31, 2022	For the period ended March 31, 2021
Interest expenses on financial liabilities measured at amortize cost	29.57	-
Interest on Lease Liability	0.60	-
Other borrowing cost	0.27	-
Interest on Gratuity Liability (Net)	1.26	-
	31.70	-
Less : Interest capitalized during the year	1.57	-
<b>Total</b>	<b>30.13</b>	<b>-</b>

**Note 33: Other expense**

Particulars	₹ in crores)	
	For the year ended March 31, 2022	For the period ended March 31, 2021
Consumption of stores, spares & other manufacturing expenses	33.24	-
Cane development expenses	3.18	-
Consumption of Packing material	21.00	-
Power and fuel	3.11	-
Repair & Maintenance :		
- Plant & machinery	35.93	-
- Building	1.57	-
- Others	2.67	-
Short Term lease/Low value item lease expenses	1.42	-
Rates and taxes	2.21	0.01
Insurance	3.10	-
Transfer to storage fund for molasses	0.18	-
Consultancy/Retainship/Professional Fees	3.48	-
Selling Expenses :		
- Commission to selling agents	2.87	-
- Other selling expenses	17.08	-
Demerger Expenses	3.00	-
Travelling & Conveyance	4.83	-
Security Services	3.08	-
Miscellaneous expenses	9.21	-
Charity and donations	0.09	-
Staff Welfare	0.28	-
Balance written-off	0.89	-
Allowance for Expected Credit Loss	0.06	-
Payment to Statutory Auditors	0.26	#
Loss on sale of Property, Plant & Equipment	0.19	-
Foreign exchange difference (net)	0.05	-
<b>Total</b>	<b>152.98</b>	<b>0.01</b>

#In previous year amount for Audit Fees is ₹ 11,800 /-



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 34: Tax expense		
(₹ in crores)		
(a) Income Tax Expenses	For the year ended March 31, 2022	For the period ended March 31, 2021
Current Tax	23.29	-
Deferred Tax	3.79	-
Total income tax expenses	27.08	-

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:		
(₹ in crores)		
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Profit for the year (before income tax expense)	128.97	(0.01)
Add: Losses of subsidiary on which deferred tax not recognised	4.34	-
Net Profit for tax purpose	133.31	(0.01)
Applicable tax rate	29.12%	-
Computed tax expenses	38.82	-
Adjustments:		
Expenses not allowed for tax purposes	0.07	-
Deferred tax on non-depreciable assets (Net)	(1.58)	-
Adjustment on account of reworking of opening DTA/DTL based on assets & Liabilities transferred and DTL transferred pursuant to Scheme		
Current Income Tax	(10.21)	-
Tax Expenses recognized in Statement of Profit and Loss	27.10	-
Effective Tax Rate	20.33%	0.00%

Note 35: Other Comprehensive Income		
(₹ in crores)		
Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
A (i) Items that will not be reclassified to profit or loss		
FVOCI Equity Instruments	(0.01)	-
Actuarial gain/loss on employees benefits	0.12	-
(a) Tax on above	(0.03)	-
B (i) Items that will be reclassified to profit or loss		
Cash Flow Hedge	-	-
Foreign Currency Translation reserve	0.35	-
Total	0.43	-

Note 36: Earnings per Share (EPS)		
Particulars		
	For the year ended March 31, 2022	For the period ended March 31, 2021
Basic Earnings per share		
a) Profit attributable to equity shareholders	(₹ in crores) 101.89	(0.01)
b) Weighted average number of equity shares outstanding	Absolute no. 66387590	4301
c) Nominal value per share	(in ₹) 10.00	10.00
d) Earnings per share	(in ₹) 15.35	(23.25)



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**Note 37: Contingent Liabilities and Commitments**

**I. Contingent Liabilities (not provided for in Respect of: Particulars)**

	As at March 31, 2022	As at March 31, 2021*
<b>(₹ in Crore)</b>		
i) Demands being disputed by the Holding Company : **		
a) Excise duty and Service Tax demands	1.58	1.58
b) Trade Tax and Entry Tax demands	0.91	0.91
c) Stamp Duty demands	18.01	18.01
d) Other demands	0.89	0.89
e) Estimated amount of interest on above	16.54	15.33
ii) Claims against the Holding Company not acknowledged as debts :		
a) other liabilities	-	-
b) In respect of some pending cases of employees and others#	-	-
	Amount not ascertainable	Amount not ascertainable

\* Presented pursuant to the Ind AS 103 (Refer note 42)

\*\* Transferred to the Holding Company pursuant to Scheme of Arrangement (Refer Note 42)

# The amount shown above represents the best possible estimates arrived on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal process which have been invoked by the company or the claimants as the case may be, therefore it cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities

**II Capital Commitments**

	As at March 31, 2022	As at March 31, 2021*
<b>(₹ in Crore)</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	34.40	66.80
* Presented pursuant to the Ind AS 103 (Refer note 42)		

**III. Legal Cases**

i) Honorable Allahabad High Court in the case of PIL Rashtriya Kisan Mazdoor Sangathan VS State of U.P. passed a final order on March 09, 2017 directing the Cane Commissioner to decide afresh the issue as to whether the Sugar Mills are entitled for waiver of interest on the delayed payment of the price of sugarcane for the seasons 2012-13, 2013-14 and 2014-15 under the provisions of Section 17(3) of the U.P. Sugarcane (Regulations of Supply and Purchase) Act, 1953 (in short 'the Act'). The matter is yet to be finalised and pending before Supreme Court for adjudication. Based on the legal review of the facts of the case and considering past practice, no liability is likely to crystallise on the Holding Company in this matter.

ii) Cane societies are in dispute with the State Government of Uttar Pradesh with regard to retrospective partial waiver of society commission payable by the sugar mills for the crushing seasons 2012-13, 2014-15 and 2015-16. Holding Company was the beneficiary of such waiver. The matter is yet to be finalised and pending before Supreme Court for adjudication. Based on the legal review of the facts of the case and considering past practice, no liability is likely to crystallise on the Holding Company in this matter.

**Note 38: Revenue**

i) The disclosures pertaining to disaggregation of revenue and performance obligation in terms of Ind AS 115 - Revenue from contracts with customers are as follows:

**(a) Sugar**

The Sugar segment of the Holding Company principally generates revenue from manufacturing and sale of sugar and its by-products. Domestic sales of sugar is made on ex-factory terms/agreed terms to wholesale /institutional buyers/merchant exporters within the country. Domestic sugar sales is majorly done on advance payment terms.

Export sales of sugar to merchant exporters are done on ex-factory /delivered basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyers' specific location (as per agreed terms). The sale price and payment terms is fixed as per contracted terms.

Bagasse and pressmud are sold generally on advance payment terms to customers on ex-factory basis in terms of the agreement and revenue is recognised when the goods have been shipped to/delivered to the buyer.

**(b) Renewable Energy**

The Renewable Energy segment of the Holding Company principally generates revenue from sale of power to distribution companies.

Power is supplied to distribution companies from the Holding Company's facilities in accordance with the sale price, payment terms and other conditions as per the Power Purchase Agreements ("PPA").



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**  
**(c) Bio Fuels & Spirits**

The Bio Fuels & Spirits segment of the Holding Company principally generates revenue from sale of industrial alcohol which mainly constitutes ethanol sold under contracts with Public and Private Oil Marketing Companies ("OMCs") and other products to institutional buyers.

For sale of ethanol under contracts with OMCs, sale price is pre-determined based on Expression of Interest ("EOI")/Tender floated from OMCs. The prices are on delivered cost basis at OMC's locations inclusive of all duties/levies/taxes/charges etc. Payment terms is within 45 days after delivery of material and submission of original invoices.

Other products like Rectified Spirit, ENA, SDS etc. are sold on bulk basis to institutional buyers on ex-factory basis as per agreed terms. Revenue is recognised when goods have been shipped to the buyers' specific location as per agreed terms. The payment terms are fixed as per Holding Company's credit policy which is up-to 45 days.

(ii) Disaggregated revenue information have been given along with segment information.

**Note 39: Leases**

Following are the changes in the carrying value of other right of use assets for the year ended March 31, 2022:

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Consolidated statement of Profit and Loss.

**A. Right-Use-of Assets**

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Opening Balance		
Addition Pursuant to Scheme of Arrangement (Refer note 42)	9.12	-
Additions during the year	-	9.12
Deletions during the year	-	-
Depreciation during the year	0.61	-
Closing Balance	2.08	-
	6.43	9.12

**B. The following is the movement in long term lease liabilities during the year**

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Balance at the beginning	7.80	-
Addition Pursuant to Scheme of Arrangement (Refer note 42)	-	7.80
Finance cost accrued during the year	1.26	-
Payment of lease liabilities	(3.20)	-
Balance at the end	5.86	7.80

**C. Following is the break-up of current and non-current lease liabilities as at March 31, 2022**

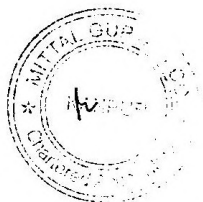
Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Lease Liabilities- Non Current	3.96	5.73
Lease Liabilities- Current	1.90	2.07
Total	5.86	7.80

**D. Contractual maturities of lease liabilities on an undiscounted basis:**  
The weighted average incremental borrowing rate applied is 8.60%

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Less than one year	2.40	3.20
One to five years	4.20	6.60
More than five years	-	-
Total	6.60	9.80

\*Presented pursuant to the Ind AS 103 (Refer note 42)

Rental expenses recorded for short term lease are ₹1.42 Crores for the year ended March 31, 2022



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**Note 40: Government Grant**

The Holding Company is eligible to receive various grants/ financial assistance as per the schemes announced by Central and UP State Government for Sugar Industry. The Holding Company has recognized these Government grants in the following manners:

₹ in Crore		
Particulars	Treatment in Accounts	For the year ended March 31, 2022
<b>1. "Revenue related Government grants:</b>		
i) "MAEQ Subsidy 2020-21 from Central Government (Refer footnote a)	Shown as separate line items "Government grant" under other operating income	9.85
ii) "Interest subvention claim under Distillery Expansion Loan (Refer note b)	Deducted from finance cost	0.37
iii) "Interest subvention claim under Distillery Expansion Loan (Refer note b)	Capitalised in Capital Work In Progress	1.57
<b>2. "Deferred Government grants:</b>		
i) "Deferred income relating to term loans on concessional rate from Sugar Development Fund	Deducted from finance cost	0.22
ii) "Deferred income relating to term loans on concessional rate (Refer note d)	Deducted from finance cost	3.40

a) The Central Government vide its notification 1(6)/2020-S.P.-I dated 29th December 2020, announced Scheme for Assistance to Sugar mills for the sugar season 2020-21 (Scheme) for expenses on marketing cost including handling, upgrading and other processing costs and cost of international and internal transport and freight charges on export of sugars under Maximum Admissible Export Quantity (MAEQ) Scheme. Every sugar mill which fulfil the conditions as stipulated in the Scheme will be eligible for assistance @ Rs 6000 per MT on export of sugar limited to MAEQ. Till March 31, 2022, the Holding Company has complied with all the conditions as stated in the scheme and submitted the claim and total Subsidy accrued under the scheme has been received by the Holding Company.

b) The Central Government, vide its Notification No. 1(10)/2018-SP-I dated July 19, 2018, notified a Scheme with a view to increase production of ethanol by enhancing the number of working days of existing in a year by installation new Incineration boilers or by adoption any other matter approved by Central Pollution Control Board (CPCB) for Zero Liquid Discharge (ZLD) in a distillery. Every Sugar Mill which fulfil the conditions stipulated in the scheme will be eligible for the interest subvention @ 6% per annum or 50% of the rate of interest charged by bank, whichever is lower, on the loans to be extended by banks, shall be borne by central Government for five years. Till March 31, 2022, the Holding Company has complied with all the conditions as stated in the scheme and submitted the claim for interest subvention. The interest subvention accrued under the Scheme till 31st March 2022 is Rs 3.09 Crore and out of which 1.04 Crore has been received till March, 2022.

c) The State Government, with a view to improve the liquidity position of private sector sugar mills of the State enabling them to clear the cane price arrears of crushing seasons 2016-17 and 2017-18 and timely settlement of cane price as per State Advised Price (SAP) fixed by the State Government, to the sugarcane farmers, has notified the scheme, namely "Scheme for Extending Financial Assistance to Sugar Undertakings-2018" vide notification No.: 15 /2018/1719/46-3-18-3 (36-A) / 2018 dated October 16, 2018. The Holding Company had availed the term loan in the F.Y 2018-19 under the Scheme, wherein, the government grant has been received in form of Subsidized rate of interest.



**Note 41: Segment reporting**

**I) Identification of Segments**

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Director's (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments').

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organization structure, and the internal financial reporting systems.

**II) Operating Segments**

The Group is organized into three main business segments, namely:

- Sugar which consists of manufacture and sale of Sugar and its byproducts and,
- Bio Fuels & Spirits which consists of manufacture and sale of RS, SDS, ENA, Ethanol, sanitizer etc.
- Renewable Energy which consists of co-generation and sale of power
- Others which consists of trading business of subsidiary company

No operating segments have been aggregated in arriving at the aforesaid reportable segments of the Group.

**III) Geographical segments**

Since the Group's activities/ operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

**IV) Segment Accounting Policies:**

In addition to the significant accounting policies applicable to the operating segments as set out in note 2, the accounting policies in relation to segment accounting are as under:

**a) Segment revenue and results:**

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenses (net of unallocated income).

**b) Segment assets and liabilities:**

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Unallocated assets include deferred tax, investments, interest bearing deposits loans to subsidiary and income tax refund. Unallocated liabilities include interest bearing liabilities, tax provisions and deferred tax. Capital expenditure pertains to additions made to fixed assets during the year and includes capital work in progress.

**c) Inter segment sales/transfer:**

Transactions between segments are primarily for materials which are transferred at cost / market determined prices. These transactions are eliminated in consolidation.

**A. Summary of Segmental Information**

For the Year Ended March 31, 2022

Particulars	Sugar	Bio Fuel & Spirits	Renewable Energy	Others	(₹ in Crores) Adjustments/ Elimination	Total
I. Segment Revenue						
a) External Sales	1,223.72	258.00	45.14	-	-	1,526.86
b) Inter Segment Sales	257.61	1.35	153.44	-	(412.40)	-
c) Other Operating Revenue	13.62	-	0.42	-	-	14.04
Revenue from operation (a+b+c)	1,494.95	259.35	199.00	-	(412.40)	1,540.90

Particulars	Sugar	Bio Fuel & Spirits	Renewable Energy	Others	(₹ in Crores) Unallocable	Total
II. Segment Results						
Profit/(loss) before exceptional items, Tax and Interest from each segment	50.42	63.04	60.10	(3.70)	-	169.86
Less/ Add :Other Unallocable Expense/Income net off Unallocable Income/Expenses	-	-	-	-	12.05	12.05
Less : Finance costs	-	-	-	-	-	28.84
Net/(loss) Profit before Tax	50.42	63.04	60.10	(3.70)	12.05	128.97
Less: Tax expense (Net)	-	-	-	-	-	27.68
Net Profit/(loss) after Tax	50.42	63.04	60.10	(3.70)	12.05	101.89
III. Other Information						
a) Segment Assets	1,424.77	227.60	311.06	7.38	29.73	2,000.54
Total Assets	1,424.77	227.60	311.06		29.73	2,000.54
b) Segment Liabilities	205.63	31.65	21.66	0.13	856.48	1,115.55
Total Liabilities	205.63	31.65	21.66	0.13	856.48	1,115.55
c) Capital Expenditure	44.52	72.81	61.47	-	-	178.80
d) Depreciation	17.58	5.42	7.79	0.50	-	31.29
e) Non Cash Expenditure other than Depreciation	0.81	0.01	0.17	0.15	0.01	1.15



B. Geographical information : Segment Revenue & Non Current Assets by location

Particulars	Period	India	Outside India	(₹ in Crores)
External Revenue	2021-22	1,164.02	362.84	1,526.86
Non Current Assets (other than financial assets)	31-Mar-22	776.87	-	776.87

\*Non-current assets exclude those relating to Investments and non-current financial assets.

C. Information about major customer

Number of customers individually accounted for more than 10% of the revenue in the year ended March 31, 2022 - NIL

D. In the following table, revenue is disaggregated by geographical market, major products/service lines and timing of revenue recognition which also includes a reconciliation of the disaggregated revenue with the Company's three strategic divisions, which are its reportable segments.

Particulars	Sugar	Renewable Energy	Bio Fuel & Spirits	Total
Geographical markets				
Within India	860.61	45.15	258.26	1,164.02
Outside India	362.84	-	-	362.84
Total	1,223.45	45.15	258.26	1,526.86
Major Product				
Sugar	1,165.72	-	-	1,165.72
Industrial Alcohol	-	-	258.26	258.26
Power	-	45.15	-	45.15
Others	57.73	-	-	57.73
Total	1,223.45	45.15	258.26	1,526.86
Timing of Revenue Recognition				
Products transferred at a point in time	1,223.45	45.15	258.26	1,526.86
Products transferred over time	-	-	-	-
Total	1,223.45	45.15	258.26	1,526.86



Note 42: Accounting, Disclosures and Particulars of Scheme of Arrangement

42.1 Arrangement of Dhampur Sugar Mills Limited (DSML), Dhampur Bio Organics Limited (DBOL) and their respective Shareholders and Creditors

A Description of Scheme of Arrangement

Subsequent to the year end, Allahabad Bench of the NCLT, through its order dated April 27, 2022 (the "Order"), has approved the Scheme of Arrangement ("the Scheme") between Dhampur Sugar Mills Limited ("Demerged Company") and Dhampur Bio Organics Limited ("Resulting Company"/"The Company") and their respective shareholders and creditors. The scheme has been approved by Board of Directors of both the Companies on June 7, 2021 for Demerger of manufacturing units of Sugar, chemicals and co-generation of the Demerged company situated at Asmoli, District Sambhal, Mansurpur, district Muzaffarnagar and Meeranji, district Bareilly (Collectively referred to as "Demerged Undertakings") from Demerged Company alongwith investment in equity shares of wholly owned subsidiary (Dhampur International PTE Limited) of Demerged Company into Resulting Company with effect from Appointed Date i.e. April 01, 2021. The Holding Company has filed certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on May 3, 2022 and thereby the scheme becomes effective. The Holding company had not made investments in subsidiary/associates up to period ended March 31, 2021 and accordingly requirement for preparation of Consolidated Financial Statement was not applicable. During the year, pursuant to the scheme, Dhampur International PTE Ltd, Singapore, a wholly owned subsidiary of demerged Company was transferred to the Company.

The Holding Company has given effect to the Scheme for the year ended March 31, 2022 considering it to be an adjusting event and has accounted the same as per the pooling of interest method since the conditions as per the requirements of Ind AS 103 - Business Combinations of entities under common control are met. The Company came under common control on March 31, 2021 and hence the comparative numbers have to be presented for the period of March 31, 2021. However it is not practically possible to arrive at Consolidated Financial Results for the period of one day i.e. March 31 2021, therefore, in order to present the actual scale of consolidated operations for the financial year ended March 31, 2021, the management has presented the Consolidated Financial Information for the period of Twelve months ended March 31, 2021 as additional disclosure and not restated the statement of profit and loss account for the year ended March 31, 2021. The said Consolidated Financial Information for twelve months periods of the Financial Year 2020-21 have been extracted from the disclosure in the financial Information, for the year ended March 31, 2021, which has not been separately subject to audit or review and has been presented as 'Unaudited' Supplementary Information herein after.

As per the share swap ratio approved in the Order, the Company is in the process of issuing equity shares of ₹10 each in the ratio of 1:1 to the shareholders of Demerged Company. Further, as per the Order, the existing Issued Share Capital of ₹ 100,000 consisting of 10,000 shares of ₹ 10 each held by Demerged Company shall stands cancelled on allotment of Equity shares under share as swap ratio.

As per the order, Authorised Share capital representing 9,15,00,000 equity shares of ₹10 each of the Demerged Company will be transferred to the Resulting Company. Accordingly, upon the scheme becoming effective, the authorised share capital of the Resulting Company shall stand increased to ₹91,60,00,000 divided into 9,16,00,000 equity shares having face value of ₹10 each.

The assets and liabilities, transferred to and vested in the Resulting Company pursuant to the Composite Scheme are recorded at their respective carrying values as appearing in the books of Demerged Company.

The Share capital account has been credited with the aggregate face value of the shares to be issued to the Shareholders pursuant to the Scheme and the difference has been accounted in the appropriate reserves within "Other Equity".

B The Impact of the Demerger on these Consolidated Financial Statements is as under:

Particulars	(₹ in Crores)		
	Net Assets/ (Liability) acquired (reserves)	Value of Equity shares Issued	Other Equity
Demerger of Demerged Undertakings from Demerged Company to the Resulting Company alongwith investments in equity shares of Dhampur International PTE Ltd.	774.95	66.39	708.56



C Statement of Profit and Loss

Followings are the additional disclosure of Consolidated Financial Informations for the year ended March 31, 2021 as stated herein above.

Particulars	For the year ended March 31, 2021
Income	
I. Revenue from Operations	
II. Other Income	2,156.70
III. Total Income (I+II)	5.40
IV. Expenses	2,162.10
(a) Cost of materials consumed	
(b) Excise duty on sale of goods	1,446.93
(b) Purchase of Stock-in-Trade	-
(c) Change in Inventory	91.65
(d) Employees benefits expenses	243.58
(e) Depreciation and Amortisation	68.11
(f) Finance costs	27.16
(g) Other Expenses	40.87
Total Expenses	133.71
	2,052.00
V. Profit Before Exceptional Items and Tax (III-IV)	
VI. Exceptional Items	110.10
VII. Profit Before Tax (V-VI)	-
VIII. Tax Expense	110.10
(a) Current Tax	
(b) Deferred Tax	18.58
IX. Profit for the year (VII-VIII)	14.86
X. Other Comprehensive Income	76.66
A (i) Items that will not be reclassified to profit or loss	-
- Remeasurement benefits (losses) on defined benefit obligation	-
- Gain (loss) on fair value of equity investments	
(ii) Tax on above	0.95
B (i) Items that will be reclassified to profit or loss	(0.33)
Other Comprehensive Income to be transferred to Other Equity for the year	0.02
XI. Total Comprehensive Income for the year (IX+X)	0.64
	77.29



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**Note 43: Related Party Disclosures**

Information on related party transactions pursuant to Ind AS 24 -

**A. List of Related Parties with whom transactions have taken place and relationships as on March 31st, 2022**

- i. Holding company  
Dhampur Sugar Mills Ltd (Till the date of cancellation of existing shareholding as per scheme of Arrangement)
- ii. Directors and Key Management Personnel (KMP)  
1 Mr. Vijay Kumar Goel, Director  
2 Mr. Ashok Kumar Goel, Director  
3 Mr. Gaurav Goel, Director  
4 Mr. Gautam Goel, Director  
5 Mukul Sharma, Director  
6 Mr. Nalin Gupta, Director
- iii. Directors of Dhampur International PTE Limited  
1 Mr. Gautam Goel, Director  
2 Mr. Brijesh Pande, Director
- iv. Relative's of Directors and Key Management Personnel (KMP) (with  
1 Mr. Sanjay Gupta, Brother of Director  
2 Bindu Vashist, Wife of Directors
- vi. Enterprises which have significant influence and also owned or significantly influenced by directors/Key Management Personnel or their relatives  
1 Shudh Edible Products Private Limited  
2 Academy of Modern Learning Trust  
3 J.P & Sons

**B. Disclosure of transactions between the Group and Related Parties and the status of outstanding balances as on March 31, 2022**

S. No. Particulars	(₹ in Crore)
	For the year ended March 31, 2022
1 <u>Loan Taken</u>	0.05
Dhampur Sugar Mills Limited	0.05
2 <u>Rent Received</u>	2.40
Dhampur Sugar Mills Limited	2.40
3 <u>Rent Paid</u>	2.40
Shudh Edible Products Private Limited	2.40
4 <u>Remuneration to Directors, KMP and their Relatives</u>	2.16
Mr. Nalin Gupta	0.40
Mr. Mukul Sharma	0.35
Mr. Gautam Goel	0.93
Relative of KMP	0.47
5 <u>Expenses paid During the year</u>	8.54
J.P & Sons	8.50
Academy of Modern Learning Trust	0.04
<u>Amount due to/ from Related Parties:</u>	
1 <u>Payables</u>	4.06
Shudh Edible Products Private Limited	0.06
J.P & Sons	3.33
Vijay Kumar Goel	0.21
Gautam Goel	0.44
Sandeep Sharma	0.02
Nalin Gupta	#
2 <u>Security Deposits Receivables</u>	1.20
Shudh Edible Products Private Limited	1.20

The details of remuneration paid to Managing Director, Chief Operating Officer and Whole Time Director and Key Management Personnel are as under:-

**Details of Remuneration Paid/Tpayable to KMP**

Particulars	Mr. Nalin Gupta	Mr. Mukul Sharma	Mr. Gautam Goel	Mrs. Bindu Vashist Goel
Year ended March 31, 2022				
Short-term employee benefits				
Salary	0.35	0.29	0.93	0.42
Post-employment benefits				
Contribution to Provident Fund, Gratuity and other Funds*	0.05	0.07	-	-

# Represents amount below ₹ 50,000/-

\* As the liability for gratuity is provided on actuarial basis for the Holding Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

**C. Terms and Conditions and Settlement**

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances at the year end are un-secured and settlement occurs in cash.

**D. Pursuant to Scheme of Arrangement**

As per the Scheme of Arrangement, M/S Dhampur Sugar Mills Ltd. (erstwhile holding company/ Demerged Company) has continued to manage the operations of demerged units, hence the interse transactions between the demerged and resultant companies pertaining to the operation of units including interse transfer of goods, assets, employees, funds, reimbursement of expenses etc have not been reported here on above. A sum of ₹14.67 Crore is recoverable as at March 31st, 2022 from Dhampur Sugar Mills Ltd. on account of money held in trust by them for managing the operations of demerged undertaking which is shown under Trade Receivables.



**Note 44: Employees benefits**

The required disclosures of employees benefits as per Indian Accounting Standard (Ind AS) -19 are given hereunder :-

**(i) Defined contribution plan :**

The Group's defined contribution plans are Employees' Pension Scheme, Employees' Provident Fund (under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and Employees State Insurance. The Company has no further obligations beyond making the contributions.

Particulars	(₹ in Crore) For the year ended March 31, 2022
Employer's Contribution to Provident Fund	3.18
Employer's Contribution to Pension Fund	1.99

**(ii) Defined benefit plan :**

**In respect of defined benefit scheme of gratuity (Based on actuarial valuation) :**

The gratuity plan is governed by the payment of Gratuity Act, 1972. Under the said Act an employee who has completed five years of services is entitled to specific benefit. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Group is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Salary escalation risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase 0.50% per annum of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Actual mortality & disability :** deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

The following tables summaries the components of net benefit expense recognized in the statement of Profit and Loss  
Details of Non funded post retirement plans are as follows:

I. Expenses recognized in the statement of profit and loss:	(₹ in Crore)
Particulars	For the year ended March 31, 2022
Current service cost	1.09
Interest Cost	1.26
Past Service Cost	-
Net interest on the net defined benefit liability	-
Expense recognized in the statement of profit and loss	2.35
II. Other comprehensive income	(₹ in Crore)
Particulars	For the year ended March 31, 2022
Actuarial gain / (loss) arising from:	0.12
· Change in financial assumptions	-
· Change in experience adjustments	-
Components of defined benefit costs recognized in other comprehensive income	0.12

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

**III. Change in present value of defined benefit obligation:**

Particulars	(₹ in Crore) As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	18.30
Interest expense/ income	1.26
Current service cost	1.09
Past service cost	-
Benefits paid	(0.63)
Actuarial (gain) / loss arising from:	(0.12)
· Change in financial assumptions	-
· Change in experience adjustments	-
· Change in Demographic assumptions	-
Present value of defined obligation at the end of the year	19.91

IV. Net liability recognized in the Balance Sheet as at the year end: (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Present Value of Benefit Obligation at the end of the year	19.91	18.51
Fair Value of Plan Assets at the end of the year	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	19.91	18.51
Current liability	2.38	1.15
Non- current liability	17.53	17.36
*Presented pursuant to the Ind AS 103 (Refer note 42)		

V. Actuarial assumptions: (₹ in Crore)

Particulars	For the year ended March 31, 2022
Discount rate (per annum) %	7.20%
Expected rate of salary increase %	5.00%
Retirement / superannuation Age (year)	60
Mortality rates	100% of IALM (2012 - 14)

VI. Maturity profile of defined benefit obligation: (₹ in Crore)

Particulars	As at March 31, 2022
Expected cash flows (valued on undiscounted basis):	
With in 0 to 1 Year	2.07
With in 1 to 2 Year	1.30
With in 2 to 3 Year	1.29
With in 3 to 4 Year	1.30
With in 4 to 5 Year	1.58
With in 5 to 6 Year	1.41
6 Year onwards	10.65
Total expected payments	19.60
The average duration of the defined benefit plan obligation at the end of the balance sheet date(in years)	

VII. Sensitivity analysis on present value of defined benefit obligations: (₹ in Crore)

Particulars	For the year ended March 31, 2022
a) Discount rates	
0.50% increases	(0.64)
0.50% decreases	0.68
b) Salary growth rate :	
0.50% increases	0.69
0.50% decreases	(0.66)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.

The history of experience adjustments for non-funded retirement plans are as follows :

Particulars	Gratuity (Non funded ) 2021-22
Present value of obligation as at the end of the year	19.91
Fair value of plan assets as at the end of the year	-
Net asset/(liability) recognized in the balance sheet	19.91
Net actuarial (gain)/ loss recognized	0.12



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**Note 45: Borrowings- Nature of Security and Terms of Repayment**

- a) **Nature of Security in respect of Long Term Borrowings:**  
All the term loans outstanding at the end of the year, have been sanctioned and are in the name of Dhampur Sugar Mills Limited, the Demerged Company.
- (i) Rupee term loan from PNB are secured by first pari passu charge on block of fixed assets of the Company and Demerged Company. Further secured by personal guarantee of promoter directors of the Demerged Company.
- (ii) Rupee term loan from PNB (funded by State Government U.P.) are secured by first pari passu charge on block of fixed assets of the Company and Demerged Company.
- (iii) Rupee term loan from PNB are secured by first pari passu charge on the entire block of fixed assets of the Company and Demerged Company. Further secured by personal guarantee of promoter directors of the Demerged Company.
- (iii) Rupee term loan from PNB (funded by State Government U.P.) are secured by first pari passu charge on block of fixed assets of the Company and Demerged Company. Further secured by personal guarantee of promoter directors of the Demerged Company.
- (iv) Rupee Term loan from PNB are secured by 1st pari passu charge on entire block of assets of Asmoli Unit of the Company and Demerged Company. Further secured by personal guarantee of promoter directors of the Demerged Company
- (v) Rupee term loan from Sugar Development Fund (SDF) are secured by first pari passu charge over the movable and immovable properties of its unit i.e. DBOL Unit Asmoli, Division - Sugar, situated at Asmoli.

**b) Terms of repayment :**

Name of banks / entities	Rate of Interest (ROI) % p.a.	Amount outstanding as at March 31, 2022	Repayment of Term Loans					Details of security offered
			2022-23	2023-24	2024-25	2024-26	2026-27	
<b>1) Punjab National Bank</b>								
Term loan from bank	7.50%*	1.65	1.65	-	-	-	-	Refer note no. 45 (a) (i)
Term loan from bank (Soft Loan)	5.00%	77.99	34.57	8.86	-	-	-	Refer note no. 45 (a) (ii)
Term loan from bank (Expansion for Distillery Capacity - Asmoli) *	7.50%*	76.33	16.85	16.85	16.85	8.43	8.43	Refer note no. 45 (a) (iii)
Term loan from bank (Expansion for Distillery Capacity - Asmoli) *	7.50%*	8.25	3.00	3.00	2.25	-	-	Refer note no. 45 (a) (iv)
<b>Sub-Total</b>		<b>164.22</b>	<b>56.07</b>	<b>54.42</b>	<b>27.96</b>	<b>16.85</b>	<b>8.43</b>	
<b>2) Government of India, Sugar Development Fund</b>								
Development Fund	4.50%	4.18	2.39	1.79	0.00	0.00	0.00	Refer note no. 45 (a) (v)
<b>Grand-Total</b>		<b>168.40</b>	<b>58.46</b>	<b>56.20</b>	<b>27.96</b>	<b>16.85</b>	<b>8.43</b>	



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**c) Nature of Security in respect of Short Term Borrowings:**

**Working Capital loans from Punjab National Bank are secured :**

- by way of first pari passu charge and pledge of stocks of sugar and sugar-in-process both present and future.
- by way of first pari passu charge and hypothecation of molasses, bagasse, general stores, chemicals unit finished goods/raw material, co-generation unit raw material, book debts etc. both present and future of the Company.
- by way of third pari passu charge on the block of fixed assets/immovable properties of the Company and demerged company.
- by personal guarantee of the two promoter directors of the Company and demerged company

**Working Capital loans from Central Bank of India are secured:**

- by way of pledge of stocks of sugar and sugar-in-process both present and future on first pari passu basis with other banks.
- by way of hypothecation of molasses, bagasse, general stores both present and future on pari passu basis of the Company.
- by way of third pari passu charge on the block of fixed assets/immovable properties of the Company and demerged company.
- by personal guarantee of promoter directors of the Company and demerged company

**Working Capital loans from all District Co-operative Banks are secured:**

- by way of pledge of stocks of sugar
- by personal guarantee of promoter directors of the Company and demerged company

**Working Capital loans from Prathma U P Gramin Bank are secured (Prathma Bank merged with Sarva U P Gramin Bank):**

- by way of first pari passu charge of sugar stock of white crystal/raw sugar/ BISS & other processed sugar in bags and sugar in process.
- by way of third pari passu charge on the block of fixed assets/immovable properties of the Company and demerged company.
- by personal guarantee of promoter directors of the Company and demerged company

**Working Capital Demand loans from State Bank of India against Warehouse receipts of NBHC/Star Agri are secured:**

- by way of first and exclusive charge on the stocks of sugar
- by personal guarantee of promoter directors of the Company and demerged company



**Note 46: Financial instruments - Accounting, classification and fair value measurement**

**I. Financial instruments by category**

The criteria for recognition of financial instruments is explained in accounting policies of company:

**II Method and assumptions used to estimate fair values:**

1. Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, loans, trade and other receivables, other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short-term nature of these instruments.

2. Borrowings (non-current) consists of loans from banks and government authorities is considered based on the discounted cash flow.

Particulars	Level	Carrying Value as of		Fair Value of	
		As at March 31, 2022	As at March 31, 2021*	As at March 31, 2022	As at March 31, 2021*
		(₹ in crores)			
Financial Assets					
Amortized cost					
Investments	Level 3	-	0.19	-	0.19
Others Financial Assets	Level 3	2.03	1.45	2.03	1.45
Loans	Level 3	2.35	5.88	2.35	5.88
Trade receivables	Level 3	107.51	106.56	107.51	106.56
Cash and Bank Balances	Level 3	22.98	13.87	22.98	13.87
Other Bank Balances	Level 3	2.03	0.81	2.03	0.81
Total		136.90	128.76	136.90	128.76
Financial Liabilities					
Amortized cost					
Borrowings	Level 3	822.79	395.04	822.79	395.04
Lease Liabilities	Level 3	5.86	7.80	5.86	7.80
Trade payables	Level 3	168.67	297.87	168.67	297.87
Other Financial Liabilities	Level 3	36.97	12.74	36.97	12.74
Total		1,034.29	713.45	1,034.29	713.45

**III Fair Value Hierarchy**

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Group has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations.

\*Presented pursuant to the Ind AS 103 (Refer note 42)



**Dhampur Bio Organics Limited**  
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**Note 47: Financial Risk Management**

The Group has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the company. Together they help in achieving the business goals and objectives consistent with the Group's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

**I. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's sugar sales are mostly on cash. Power and ethanol are sold to state government entities, thereby the credit default risk is significantly mitigated.

The impairment for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on The Group's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however the Group continues to attempt to recover the receivables. Where recoveries are made, subsequently these are recognized in the statement of profit and loss.

The Group major exposure of credit risk is from trade receivables, which are unsecured and derived from external customers.

**Expected credit loss for trade receivable on simplified approach :**

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

(₹ In Crore)				
Ageing	Carrying Value	Less than 6 months	More than 6 months	Total
As at March 31, 2022				
Gross Carrying Amount	107.57	106.38	1.19	107.57
Less: Allowance for expected credit losses	0.06			0.06
Carrying Amount (net of impairment)	107.51	106.38	1.19	107.51

The Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is 100%. However, there is no material expected credit loss based on the past experience.

The changes in loss allowance for trade receivables is as under :-

(₹ In Crore)	
Particulars	As at March 31, 2022
Opening balance	-
Provided during the year	0.06
Reversed during the year	-
Closing Balance	0.06

There is no change in the loss allowances measured using expected credit loss model (ECL). The credit risk on cash and bank balances is limited because the counterparties and bank with

**II. Liquidity Risk**

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and short term loans.

**(i) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments and exclude the impact of netting agreements.

(₹ In Crore)				
As at March 31, 2022	Less than One Year	More than one year and less than five year	More than 5 Years	Total
Borrowings	717.56	104.83	-	822.79
Lease Liability	1.90	3.96	-	5.86
Trade payables	167.83	0.84	-	168.67
Other financial liabilities	36.97	-	-	36.97
<b>Total</b>	<b>924.66</b>	<b>109.63</b>	<b>-</b>	<b>1,034.29</b>

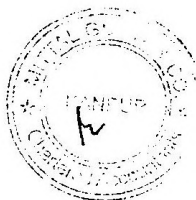
  

(₹ In crores)				
As at March 31, 2021*	Less than One Year	More than one year and less than five year	More than 5 Years	Total
Borrowings	295.85	99.19	-	395.04
Lease Liability	2.07	5.73	-	7.80
Trade payables	297.87	-	-	297.87
Other financial liabilities	12.74	-	-	12.74
<b>Total</b>	<b>608.53</b>	<b>104.92</b>	<b>-</b>	<b>713.45</b>

**(III) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure, and inventories.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**(a) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. A) The Group used foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments. The use of foreign currency forward contracts is governed by the Group's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Group's Risk Management. The outstanding forward exchange contracts entered into by the Group at the year end and thereafter disclosed.

Particulars	USD	
	As at	As at
	March 31, 2022	March 31, 2021*
Trade Receivables	-	-
Bank Balances	-	-
Other Current Financial Assets	-	-
<b>Net exposure to foreign currency risk (Assets)</b>	<b>-</b>	<b>-</b>

Particulars	USD	
	As at	As at
	March 31, 2022	March 31, 2021*
Other Current Liabilities	-	-
Trade payables	-	-
Letter of Credit	-	-
<b>Net exposure to foreign currency risk</b>	<b>-</b>	<b>-</b>

**Sensitivity analysis -**

A reasonably possible strengthening (weakening) of the Indian Rupee, by 5%, against all other currencies would have affected the measurement of financial instruments denominated in a foreign currency profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**Derivative financial instruments**

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

**Impact of Hedging Activities**

**Disclosure of effects of Hedge Accounting on Financial Position**

Type of Hedge Risks	Nominal Value of Hedged Instruments *		Carrying Amount of Hedging Instrument #		Hedge Maturity	Hedge Ratio	Changes in Fair Value of Hedging Instrument	Changes in Value of Hedged Item used as the basis for recognizing hedge effectiveness
	Asset	Liabilities	Asset	Liabilities				
Cash Flow Hedge								
Foreign exchange risk								
(i) Foreign Exchange Forward Contracts					Nil			

\* Nominal value is the ₹ value of the instrument based on spot rate of the first hedge

# Carrying value is the ₹ value of the instrument based on the spot rate of the reporting date

**(b) Regulatory risk**

Sugar industry is regulated both by Central Government as well as State Government. Central and State Governments policies and regulations affects the Sugar industry and the Company's operations and profitability. Distillery business is also dependent on the Government policy.

**(c) Commodity price risk**

Sugar industry being cyclical in nature, realizations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

**(d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings obligations with floating interest rates.

Particulars	As at	As at
	March 31, 2022	March 31, 2021*
Variable rate borrowings	740.62	279.01
Fixed rate borrowings	82.17	116.03
<b>Total</b>	<b>822.79</b>	<b>395.04</b>

**Sensitivity:**

A change of 50 basis points in interest rates would have following impact on profit after tax-

Particulars	₹ in Crore	
	As at	As at
	March 31, 2022	March 31, 2021*
Interest rates - increase by 50 basis points *	3.70	1.40
Interest rates - decrease by 50 basis points *	(3.70)	(1.40)
* Holding all other variables constant		

**(e) Price Risk**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet at fair value through profit or loss. Since the company does not have material equity investments measured at fair value through profit or loss, there is no material price risk exposure at the end of the financial year.

\* Presented pursuant to the Ind AS 103 (Refer note 42)



**Note 48: Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group. The Group's capital management is intended to maximize the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Group manages its capital structure and makes adjustments in light of changes in the consolidated financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares. The Capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and equity of the Group (Comprising issued capital, reserves and retained earnings).

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Group has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

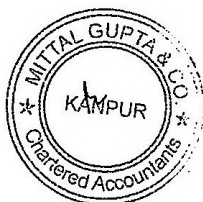
The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's Capital Management is to maximize the shareholder's value. Management also monitors the return on capital. The Board of Directors seek to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group monitors capital using a gearing ratio calculated as below:

Particulars	(₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021*
Debt#	822.79	395.04
Less: cash and cash equivalents & bank balances	22.98	13.87
Net debt	799.81	381.17
Equity	877.45	774.95
Gearing Ratio (net debt / (equity + net debt))	47.69%	32.97%

#Debt is defined as non-current and current borrowings including current maturities of non-current borrowings, as given in notes.

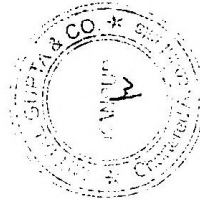
\*Presented pursuant to the Ind AS 103 (Refer note 42)



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**Note No. 49 Additional Information as required under Schedule III to the Companies Act, 2013 :**

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of consolidated other comprehensive income	Amount (₹ in Crores)	As % of consolidated total comprehensive income	Amount (₹ in Crores)
<b>As at March 31, 2022</b>								
Parent	100.00%	877.45	100.00%	101.89	100.00%	0.43	100.00%	102.32
Dhampur Bio Organics Limited	99.18%	870.27	104.26%	106.23	20.93%	0.09	103.91%	106.32
Subsidiaries- Foreign	0.82%	7.18	-4.26%	(4.34)	79.07%	0.34	-3.91%	(4.00)
Dhampur International Pte. Ltd.								



**Dhampur Bio Organics Limited**  
**Notes to the Consolidated Financial Statements**

**Note 50: Events occurring after the balance sheet date**

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of Consolidated financial statement to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 30th May 2022 there were no material subsequent events to be recognized or reported that are not already disclosed.

**Note 51: Offsetting financial instruments**

There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at each reporting date.

**Note 52: Impact of COVID 19**

The Group has taken into account all the possible impacts of COVID-19 in preparation of these restated consolidated financial information, including but not limited to its assessment of, recoverable values of its financial and non-financial assets, impact on revenue recognition, and impact on leases. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these restated consolidated financial information and believes that the impact of COVID-19 is not material to these consolidated financial information and expects to recover the carrying amount of its assets. The impact of COVID-19 on the restated consolidated financial information may differ from that estimated as at the date of approval of these restated consolidated financial information owing to the nature and duration of COVID-19.

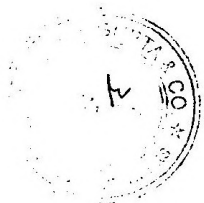
**Note 53: Reconciliation of quarterly bank returns**

**Note for discrepancies :**

The Bank returns were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments/ reclassifications, as applicable, which led to these differences between the final books of accounts and the bank return which were based on provisional books of accounts. Further difference also arises on account of different valuation methodology adopted for valuing the finished goods stock in the books and for the purpose of reporting in the bank return. In the books, stock of finished goods is recorded at lower of cost or net realisable value but for bank purposes it is taken at net realisable value which is determined as per bank norms.

However there is no material difference in reporting the quantity of stock in the bank returns as compared to books of accounts.

(₹ in crores)				
Name of the bank	Quarter	Amount as per books of account	Amount as reported in the quarterly returns/ statements	Amount of difference
Working Capital Lenders	31-Mar-22	1,102.78	1,037.59	65.19
Working Capital Lenders	31-Dec-21	624.92	567.09	57.84
Working Capital Lenders	30-Sep-21	387.40	385.57	1.83
Working Capital Lenders	30-Jun-21	710.52	735.73	(25.21)



Dhampur Bio Organics Limited  
Notes to the Consolidated Financial Statements

Note 54: Other Statutory Information

(i) The Group does not have any transactions with struck off companies.

(ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the year.

(iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 55: Other Notes

(i) In the opinion of the Board of Directors, Trade Receivables, other current financial assets, and other current assets have a value on realization in the ordinary course of the Group's business, which is at least equal to the amount at which they are stated in the Consolidated balance sheet.

(ii) The Board of Directors at its meeting held on May 30, 2022 has approved the Financial Statement for the year ended March 31, 2022.

(iii) The figures for year ended March 31, 2022 are not comparable with previous period, on account of giving effect to the Scheme of Arrangement w.e.f. March 31, 2021 and not reporting of the figures relating to demerged units, in the Consolidated Statement of Profit and Loss for the year ended March 31, 2021 as stated in Note No. 42.

For Mittal Gupta & Co.  
Chartered Accountants  
Firm Registration No.: 01874C

*Bihari Lal Gupta*

Bihari Lal Gupta  
Partner  
M. No.: 073794

Place: New Delhi  
Date: May 30, 2022



For and on behalf of Board of Directors of  
Dhampur Bio Organics Limited

*V. K. Goel*  
V. K. Goel  
Chairman  
(Din 08075317)

Place: New Delhi  
Date: May 30, 2022



*Sandeep Kumar Sharma*  
Sandeep Kumar Sharma  
Whole Time Director  
(Din 06905510)

*Nalin Kumar Gupta*  
Nalin Kumar Gupta  
Chief Financial Officer

*Ashu Rawat*  
Ashu Rawat  
Company Secretary

## **MANGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Our Company was incorporated on October 26, 2020. Accordingly, for the Fiscal 2021 corresponds to a period from October 26, 2020 i.e. date of incorporation to March 31, 2021. There was no subsidiary in that period, hence no requirement of Consolidated Audited Financial Statement was there, while our Audited Consolidated Financial Statements for the Fiscal 2022 corresponds to the twelve months ended March 31, 2022. Further, pursuant to Scheme of Arrangement, Demerged Undertakings has been vested into our Company with effect from April 1, 2021 and therefore the Audited Consolidated Financial Statement for the Fiscal 2022 have been prepared to provide the requisite impact of the Scheme as required under Ind AS. Our results of operations in Fiscal 2022 are not strictly comparable with the Fiscal 2021.

This Information Memorandum may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Information Memorandum Document. For further information, see “Forward-Looking Statements” and “Risk Factors” on pages 09 and 18, respectively.

In this section, unless the context otherwise requires, a reference to “our Company” is a reference to Dhampur Bio Organics Limited on a standalone basis, while any reference to “we”, “us” or “our” refers Dhampur Bio Organics Limited on a consolidated basis.

Our Consolidated Financial Statements for Fiscal 2022 and Fiscal 2021 are included in this Information Memorandum under the section “Financial Statements”.

As stated, the financial information used in this chapter is derived from the Consolidated Financial Statements for the Fiscal 2022.

### **Business Overview**

Global Sugar production for Marketing Year (MY) 2021/22 is predicted to remain unchanged at 181 million tonnes, with gains in the European Union, India, Russia, and Thailand expected to offset losses in Brazil. Growth in economies such as China, India, and Russia is likely to boost consumption. A decline in China, Indonesia, and Thailand has lowered stock prices. Exports are likely to remain unchanged, as a sharp increase in Thai trade is countered by fewer exports from Brazil.

According to industry body ISMA, India's sugar output projection has been raised by 3% to 314.5 lakh tonnes for the marketing year ending September 2021-22, up from the previous expectation of 305 lakh tonnes. The sugar marketing season is measures between October and September. In the 2020-21 season, sugar output was 311.8 lakh tonnes.

Sugar production in Uttar Pradesh is expected to fall to 102 lakh tonnes in 2021-22, down from 110.59 lakh tonnes the previous year, due to decreased cane yields and sugar recoveries, as well as considerably higher sugar diversion for ethanol manufacture via B-heavy molasses and sugarcane juice diversion. It is estimated that about 12.55 lakh tonnes of sugar will be diverted for ethanol production by the sugar mills in UP in the current year as compared to about 6.90 lakh tonnes diverted in 2020-21. In 2021-22, Maharashtra is estimated to generate around 117 lakh tonnes, up from 106.50 lakh tonnes in 2020-21. This year's expected sugar production is

higher due to an increase in cane area of roughly 11%, as well as stronger cane yields and sugar recovery than last season.

Pursuant to Scheme of Arrangement, the Company has three manufacturing units i.e Asmoli unit situated at Asmoli, district Sambhal (Uttar Pradesh), including the sugar manufacturing plant having capacity of 9,000 tonnes crushing per day of sugarcane, 2,50,000 litres of distillery/chemicals per day including ethanol etc. and 43.5 megawatts co-generation of power, Mansurpur unit situated at Mansurpur, district Muzaffarnagar (Uttar Pradesh), including the sugar manufacturing plant having capacity of 8,000 tonnes crushing per day of sugarcane and 33 megawatts co-generation of power; and Meerganj unit situated at Meerganj, district Bareilly (Uttar Pradesh) including the sugar manufacturing plant having capacity of 5,000 tonnes crushing per day of sugarcane and 19 megawatts co-generation of power.

### Financial Details (As per Consolidated Financial Statement)

**1. Share Capital:** As on March 31, 2022, the Paid – up Share Capital of the Company stood at Rs. 66,38,75,900/- consisting of 6,63,87,590 Equity Shares of Rs. 10/-each.

**2. Reserves & Surplus:** As on March 31, 2022, the total Reserves & Surplus of the Company stands at Rs. 811.06 Crore.

### 3. Result of operation:

(Rs. In Crores)

Particulars	For F.Y. 2021-22	As a percentage of total income	For F.Y. 2020-21*	As a percentage of total income
Income				
I. Revenue from operations	1,540.90	99.48%	-	-
II. Other income	8.03	0.52 %	-	-
III. Total Income (I+II)	1548.93	100.00%	-	-
IV. Expenses				
(a) Cost of materials consumed	1434.67	92.62%	-	-
(b) Purchase of Stock-in-Trade	7.91	0.51%	-	-
(c) Change in Inventory	(310.99)	(20.06)%	-	-
(d) Employees benefits expenses	73.63	4.75%	-	-
(e) Depreciation and Amortisation	31.29	2.02%	-	-
(f) Finance Costs	30.13	1.94%	-	-

(g) Other Expenses	152.93	9.87%	0.01	-
Total Expenses	1419.57	91.65%	0.01	-
V. Profit/(Loss) Before Exceptional Items and Tax (III-IV)	129.36	8.35%	(0.01)	-
VI. Exceptional Items	-	-	-	
VII. Profit/(Loss) Before Tax (V+VI)	129.36	8.35%	(0.01)	-
VIII. Tax Expense				
(a) Current Tax	23.29	1.50%	-	-
(b) Deferred Tax	2.40	0.16%	-	-
IX. Profit/(Loss) for the year (VII-VIII)	103.67	6.69%	(0.01)	-

## **Principal Components of Our Statements of Profit and Loss.**

### **Revenue**

Our Revenue Comprises of:

#### **Revenue from Operations**

Revenue from operations is on account of sales of manufactured goods i.e. Sugar, Ethanol with ENA, Power and other allied products. It also includes other operating income that is mainly export benefits and scrap sales.

Revenue from operations mainly comprises of sale of Sugar amounting to Rs. 1237.12 Crore, Ethanol amounting to Rs. 258.00 Crore and Power amounting to Rs. 45.57 Crore.

#### **Other Incomes**

Other Incomes primarily comprises of recurring income like Interest Income amounting to Rs.0.52 Crore, Income from rent amounting to Rs.2.49 Crore and net gain on foreign currency transaction amounting to Rs.0.04 Crore as well as non-recurring income such as sale of Equipment's amounting to Rs.2.26 Crore, Provision no longer required written back amounting to Rs. 0.22 Crore and miscellaneous income amounting to Rs.2.50 Crore.

### **Expenses**

Our expenses primarily comprise of cost of material consumed, purchase of stock in trade, changes in inventories of finished goods, work in progress and stock-in-trade, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

#### **Cost of Material Consumed**

The Cost of material consumed comprises of purchase cost of raw material like Sugarcane, Molasses, Bagasse and other miscellaneous goods. Out of total Raw Material consumed of Rs. 1434.67 Crore, cost of sugarcane consumption amounted to Rs. 1416.41 Crore.

### **Change in Inventory**

Changes in Inventories of finished goods, work in progress and stock-in-trade comprises of difference in closing balance vis-à-vis opening balance of finished goods, work in progress and stock-in-trade.

The Closing Inventory as on March 31, 2022 stood at Rs. 995.27 Crore as compared to the Opening Inventory of Rs. 684.28 Crore.

### **Employees benefit Expenses**

Employee benefit expenses consist of salaries and wages, contribution to provident fund & other funds, Gratuity, Voluntary retirement compensation and Workmen & staff welfare expenses.

Out of the total Employee benefit expenses of Rs.73.63 Crore, Salaries and Wages amounted to Rs. 65.91 Crore.

### **Finance Costs**

Finance costs comprise of interest expense, Interest on lease liability, Other Borrowing costs and interest on gratuity liability. Interest expense, generally, comprises interest on long term loans, working capital demand loan, others.

Out of the total Finance cost of Rs. 30.13 Crore, the Company has incurred Rs. 29.57 Crore as interest expenses on the Long term and Short term financial Liabilities (including Interest on Working Capital Limit)

### **Depreciation and Amortisation Expenses**

Depreciation and Amortisation Expenses comprises of depreciation on building, Plant and Machinery, Furniture & Fixtures, Vehicles, computers, office equipment, Weighbridge, Electrical Appliances and Farm Equipment.

Depreciation and Amortisation Expenses for the year ended March 31, 2022 amounted to Rs. 31.29 Crore.

### **Other Expenses**

During the year, The Company has incurred variety of other expenses which majorly includes consumption of stores and spares, cost of Packaging Material, repairs of Plant & Machinery and Buildings, Business promotion, administration expenses, selling Expenses, and other miscellaneous expenses.

Total Other Expenses of Rs. 152.93 Crore incurred during the year ended March 31, 2022 primarily comprised of cost of stores and packing material of Rs. 54.24 Crore, Selling Expenses of Rs. 19.95 Crore and Repair and Maintenance of Rs. 40.17 Crore.

### **Tax Expenses**

Tax Expenses comprise of current tax and deferred tax. Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. Deferred tax liability or assets is recognized based on the difference between taxable profit and book profit due to the effect of timing differences.

Out of the total tax expense of Rs. 25.69 Crore, Current tax amounted to Rs. 23.29 Crore and Deferred tax amounted to Rs. 2.40 Crore.

### **Profit**

During the year, The Company has achieved the Profit before tax of Rs. 129.34 Crores and Profit after Tax of Rs. 103.65 Crore.

### **Earning Per Shares**

The Company has 6,63,87,590 outstanding shares of Rs. 10 each. An Earning Per Share for the financial year stood at Rs. 15.61.

### **Reservations, Qualifications and Adverse Remarks Included in Financial Statements**

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors Financial year ended March 31, 2022 and for the period from October 26, 2020 to March 31, 2021.

### **Significant factors affecting our business, financial condition and results of Operations**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 18. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Changes in the agricultural or other policies of the Government across the globe;
- Compliance with necessary regulatory norms, failure of which would restrict our ability to sell our products;
- Ability to obtain registrations;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;

### **Significant Accounting Policies**

For details about our key significant accounting policies, see section titled "Financial Statements" on page 83.

### **Change In Accounting Policies**

For details about our change in accounting policies, see section titled "Financial Statements" on page 83.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND OTHER MATERIAL DEVELOPMENTS

*All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### **List of prosecution proceedings against the Company and its Directors pending before any Court**

Sr. No.	Case/Ref. No.	Forum	Parties	Brief facts of the case	Present Status
1	Application No. 32924 / 2012 Under Section 482	Allahabad High Court	DSM Ltd, Dr. Ashok Kumar & Others Vs. State of UP & Others.	Complaint against some officers of Dhampur Sugar Mills Limited including Mr. Vijay Kumar Goel, Mr. Gautam Goel for alleged shortage of Molasses. Application u/s 482 was filed to quash the complaint lodged under section 405, 418,420 & 120B of IPC & Section 8/11/12 of Molasses Act. A Rejoinder Affidavit has been filed along with verified statements by the Excise Inspector that there was no mismatch of stocks. Stay Order has been granted in favour of the Dhampur Sugar Mills Limited.	No date so far.
2.	Civil Appeal No. 16087 Of 2021	Supreme Court	Dhampur Sugar Mills Limited Vs Adil Ansari & Others	The Appeal has been filed under Section 22 of the National Green Tribunal (NGT) Act, 2010 against the NGT Order dated 1st September, 2021 imposing Environmental Compensation of Rs. 20 crores @ Rs. 5 crores per unit., involving Unit Asmoli and Unit Meerganj, now part of the Company. Hon'ble Supreme Court has granted Stay on 8 <sup>th</sup> November, 2021 and issued Notices to Respondents.	No further Proceedings before the Supreme Court.
3.	O.A No.16 of 2021	National Green Tribunal	Vinit Kumar v. DSM Sugar Mills Ltd. & Ors.	The Applicant has alleged that DSM Sugar, Mansurpur (now part of the Company) is discharging untreated industrial effluent in violation of the Water (Prevention and Control of Pollution) Act, 1974 and Environment (Protection) Act, 1986 thereby	NGT has levied Environmental Compensation of Rs. 5 Crores.

				causing of pollution and violating the environmental norms. In fact the untreated discharge is from there nearby Distillery. The Case has been wrongly filed against the Demerged Company. The Demerged Company has submitted its reply updating and clarifying the matter. A joint Inspection has been made by UPPCB and their Report also confirms that the Untreated Discharge is from the Distillery owned by other Company.	Now, the Civil Appeal No.2549 of 2022 has been filed before the Supreme Court wherein the court has granted stay on 1st April,2022 and issued notices to respondents.
4.	Case No.302395/18	Tehsildar, Dhampur Distt Bijnor UP.	State v. Mr. Sandeep Sharma	Under Section 122-B of UP ZA & LR Act regarding alleged encroachment of Land in Village Allahpur. The company is contesting, and the case is pending before the Tehsildar, Dhampur	No further proceedings
5.	Case No.302396/18	Tehsildar, Dhampur Distt Bijnor UP.	State v. Mr. Sandeep Sharma	Under Section 122-B of UP ZA & LR Act regarding alleged encroachment of Land in Village Mohra. The company is contesting, and the case is pending before the Tehsildar, Dhampur.	No further proceedings
6	.Case No. not yet allotted	Special Chief Judicial Magistrate, Lucknow	Mr. Vijay Kumar Goel Mr. Sandeep Kumar Sharma	Under Rule 3(8)(a) of Companies (Acceptance of Deposits) Rules, 2014, a complaint was filed against Dhampur Sugar Mills Limited (Demerged Company) and its Directors for not intimating credit rating to the Registrar of Companies, UP.	The default has been compounded by The Regional Director (Northern Region) Ministry of Corporate Affairs vide order dated May 12, 2022.  The case pending before Hon'ble Special

					Chief Judicial Magistrate, Lucknow shall be withdrawn in due course.
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### **Litigations involving our Company**

1. Criminal proceedings against our Company: **None**
2. Criminal proceedings by our Company: **None**
3. Material Civil proceedings against our Company: **None**
4. Material Civil proceedings by our Company: **None**
5. Actions by regulatory and statutory authorities: **None except as mentioned above**
6. Tax proceedings involving our Company: **None**

#### **A. Litigation involving our Directors**

1. Material Civil proceedings by our Directors: **None**
2. Tax proceedings involving our Directors: **None**
3. Actions by regulatory and statutory authorities: **None except as mentioned above**
4. Criminal proceedings involving our Directors: **None**
5. Regulatory/ Statutory actions taken against our Directors: **None**
6. Tax proceedings involving our Directors: **None**
7. Disciplinary actions against our Directors: **None**

#### **B. Litigation involving our Promoters**

1. Criminal proceedings involving our Promoters: **None**
2. Given below are the criminal cases filed against our Promoters: **None**
3. Material Civil litigations involving our Promoters: **None**
4. Regulatory/ Statutory actions taken against our Promoters: **None except as mentioned above**
5. Tax proceedings involving our Promoters: **None**
6. Disciplinary actions against our Promoters: **None**

**C. Outstanding dues to small scale undertakings or any other creditors**

As of March 31, 2022, the total trade payables of our Company, was 168.62 Crore, the details of which are as follows:

Particulars	No. of Creditors	Amount due (₹ in Crore)
Material Creditors	0	0.00
Micro, Small or Medium enterprises	130	3.40
Other Creditors	1216	165.22
Total	1346	168.62

**MATERIAL DEVELOPMENT AFTER THE DATE OF LAST FINANCIAL STATEMENTS AS ON MARCH 31, 2022**

Except as mentioned below, in the opinion of our Board, there have not arisen since the date of last Financial Statements as on March 31, 2022, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve months:

1. Hon'ble NCLT has, vide an order dated April 27, 2022 approved the Composite Scheme of Arrangement between Dhampur Sugar Mills Limited and Dhampur Bio Organics Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws. The Effective Date of the Scheme is May 3, 2022 with the Appointed Date of April 1, 2021. Accordingly, in accordance with the Scheme, our Company has allotted 66,387,590 Equity Shares of ₹ 10 each to the shareholders of Dhampur Sugar Mills Limited as on the Record Date in the ratio of 1:1 and the existing share capital of 10,000 equity shares of our Company was cancelled.

2. Our Board of Directors was reconstituted and KMPs were appointed

## GOVERNMENT AND OTHER APPROVALS

Pursuant to the Scheme of Arrangement, all the permits, licenses, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, rights and benefits under insurance policies, intellectual property including trademarks, patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs and all other rights including lease rights, tenancy rights, authorizations, licenses, quota rights, all special economic zone benefits, excise duty exemptions, income-tax benefits and exemptions, approvals and recognitions for scientific research issued by the prescribed authority, powers and facilities of every kind, nature and description whatsoever of the Demerged Undertaking of the Demerged Company shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

### Incorporation details

Certificate of incorporation dated October 26, 2020 issued to our Company by the RoC. The name of the Company was changed from RMSD Enterprises Private Limited to Dhampur Bio Organics Private Limited by a fresh certificate of incorporation pursuant to change of name dated April 21, 2021 issued by the Registrar of Companies, Kanpur. The Company was later converted into Public Limited Company named “Dhampur Bio Organics Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Kanpur dated April 22, 2021.

### Regulatory Approvals, Licenses and Permissions

The Demerged Undertaking has all the material regulatory approvals, permissions and licenses as may be required by the Company and as per provisions of Scheme, all stand transferred to the Company.

### Material Approvals in relation to our business and operations

Each of the manufacturing units of the Company have obtained requisite approvals and licenses, including Consent for Establishment under Water Act, and Air Act, Consent for Operation, and Authorization under Hazardous Waste Rules, Environmental Clearance, Fire NOC, Factory License, Boiler Registration / Renewal, Weights & Measures approvals for Balances, Standard weights and storage tanks, CFO for Air, Water & Hazardous Waste Authorization, Food Safety and Standards Act, 2006 and Rules thereunder.

### Approvals from Tax Authorities

- i. Permanent Account Number of the Company is AAKCR5540B.
- ii. Tax Deduction Account Number of the Company for various locations is as follows:

Sr. No.	Location	Tax Deduction Account No.
1	Asmoli, Sambhal, Uttar Pradesh	LKND09898A
2	Mansurpur, Muzaffarnagar, Uttar Pradesh	MRTD07105A
3	Meerganj, Bareilly, Uttar Pradesh	LKND09888E

- iii. The Company has received GST registration numbers for the operating locations. State-wise break down of the goods and service tax registration number of our Company is as follows:

Sr. No.	All places of business/ Factory/ offices etc located in	GSTIN
1	Uttar Pradesh	09AAKCR5540B1ZG
2	Delhi	07AAKCR5540B1ZK
3	Delhi	07AAKCR5540B2ZJ

#### **Intellectual Property**

As on the date of this Information Memorandum, our Company has 124 registered trademarks under various classes with the Registrar of Trademarks under the Trade Marks Act and 2 of Copyrights with the Registrar of Copyrights under the Copyright Act.

Further, there are 35 Trade Mark and 2 Copyright applications pending for registration.

Our Company is in the process of making applications to various authorities for seeking for change of name on all permissions/approvals pursuant to the Scheme.

#### **Scheme and Listing Related Approvals**

For details on Scheme of Arrangement and listing related approvals, please see “Scheme of Arrangement” and “Other Regulatory and Statutory Disclosures” on page 47 and page 155 respectively.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority of Listing

NCLT, vide its order dated 27<sup>th</sup> April, 2022 (certified true copy of the order was received on 29<sup>th</sup> April, 2022) approved the Composite Scheme of Arrangement between DSML and DBOL, in accordance with Sections 230 to 232, Section 66 and other applicable provisions of the Companies Act, 2013. Pursuant to the Scheme, the Demerged undertaking of the Demerged Company is transferred to and vested with our Company. The Effective Date of the Scheme was 3<sup>rd</sup> May, 2022 with effect from the Appointed Date i.e., April 1, 2021.

In accordance with the Scheme, the Equity Shares of our Company, issued pursuant to the Scheme, shall be listed and admitted to trading on NSE and BSE. Such admission and listing are not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing. In-principle listing approvals from BSE and NSE was obtained on September 8, 2021 and September 15, 2021 respectively

### Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable. SEBI has vide its circular, SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (“**SEBI Master Circular**”) consolidating SEBI Circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019 and November 3, 2020 (collectively, the “**SEBI Circulars**”) has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of clause (b) to sub-rule (2) of Rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957. Our Company has submitted the Information Memorandum, containing information to BSE and NSE and making disclosures of such information available in line with disclosure requirement to public through their websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Our Company has made the said Information Memorandum available on its website [www.dhampur.com](http://www.dhampur.com). Our Company shall publish an advertisement in the newspapers before commencement of trading as per the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021.

### Prohibition by SEBI

Our Company, its Promoter & Promoter Group, its Directors, and other companies promoted by Promoter & Promoter Group or Companies under same management and natural persons behind corporate Promoter & Promoter Group and companies with which the directors of our Company are associated, as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable.

### **Fugitive Economic Offences**

None of our Promoters or Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

### **Association with the Securities Market**

None of our Directors are associated with the securities market in any manner. No action has been initiated by SEBI against any of our directors in the past five years preceding the date of this Information Memorandum.

### **Identification as wilful defaulter by RBI**

Our Company, Promoters, Directors are not identified as wilful defaulters by the Reserve Bank of India.

### **Disclaimer clause of SEBI**

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS INFORMATION MEMORANDUM TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS INFORMATION MEMORANDUM.

THE FILING OF THIS INFORMATION MEMORANDUM DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, ANY IRREGULARITIES OR LAPSES IN THIS THIS INFORMATION MEMORANDUM.”

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Mumbai, India.

### **Disclaimer Clause of the NSE**

NSE has vide its letter bearing reference no. NSE/LIST/27267\_II dated September 15, 2021, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the stock exchanges on which our Company's Equity securities are proposed to be listed.

As required, a copy of the Information Memorandum has been submitted to NSE.

## **Disclaimer Clause of the BSE**

BSE vide its letter bearing reference no. DCS/AMAL/MJ/R37/2074/2021-2022 dated September 8, 2021, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.

As required, a copy of Information Memorandum has been submitted to BSE.

## **General Disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Annexure I Para II (A)(5) of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

## **Listing**

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

## **Listing Approval from NSE and BSE**

In-principle listing approvals from BSE and NSE was obtained on September 8, 2021 and September 15, 2021 respectively. Our Company shall make the applications for final listing and trading approvals from NSE and BSE.

## **Exemption from Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957**

Our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no[•] dated[•]

## **Filing**

A copy of this Draft Information Memorandum has been filed with BSE and NSE.

## **Demat Credit**

Our Company has executed a Tripartite Agreement with the Depositories i.e. NSDL and CDSL, dated 14.06.2021 and 02.07.2021 respectively, for admitting our Equity Shares in demat form. Our Company has been allotted ISIN INE013401014. The shares of our Company, on allotment, shall be traded on stock exchanges in demat mode only.

## **Consent**

Our Company has obtained consent from our Directors, Statutory Auditor and Registrar for including their name in the Information Memorandum.

**Expert Opinions**

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

**Dispatch of Share Certificates**

All the equity shares issued are in demat form pursuant to the Scheme of Arrangement and BSE approval Letter. Thus, there is no dispatch of share certificates.

**Previous Rights and Public Issues**

Since incorporation, our Company has not issued Equity Shares to the public or had any rights issues.

**Capital Issue in the last 3 years**

Neither our Company, nor any listed Company under the same management have made any capital issue during the last 3 years.

**Commission and Brokerage on Previous Issues**

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

**Performance vis-à-vis objects**

This is for the first time our Company is getting listed on any stock exchange. Since incorporation, our Company has not issued any Equity Shares to public. The Equity Shares of our Company will be listed on the Stock Exchanges pursuant to the Scheme.

**Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company**

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

**Stock Market Data for Equity Shares of our Company**

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

**Disposal of Investor Grievances**

Shareholders can express their grievances by sending mails to [investors@dhampur.com](mailto:investors@dhampur.com) or raise complaints in SCORES (common portal introduced by SEBI). Our Company is currently in the process of activating its SCORES portal. As on the date of this Information Memorandum, our Company has not received any investor complaints since incorporation.

**Company Secretary and Compliance Officer**

Name: Ashu Rawat

Address: 311, Type- III, Sector-1, Sadiq Nagar, New Delhi- 110049

Tel: 011-6905-5200

E-mail: [ashurawat@dhampur.com](mailto:ashurawat@dhampur.com)

**Changes in auditors**

The members, at the first AGM held on 28<sup>th</sup> June, 2021 have appointed M/s Mittal Gupta & Company, Chartered Accountants, Kanpur (Firm Registration No. 01874C) as Statutory Auditors of our Company. Since then, there is no change in the Auditors of the Company.

**Capitalization of reserves or profits or revaluation of assets**

There has been no capitalization of our reserves or profits or revaluation of our assets since incorporation to the date of this Information Memorandum.

**Undertaking**

The complaints received from the investors shall be attended to by the Company expeditiously and satisfactorily. All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within the period prescribed by SEBI.

## **SECTION VIII – OTHER INFORMATION**

### **MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

1. In these regulations:
  - (a) “The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant article in which the said term appears in these articles and any previous company law, so far as may be applicable.
  - (b) “The Company” or “this Company” means **DHAMPUR BIO ORGANICS LIMITED**.
  - (c) “Beneficial Owner” shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.
  - (d) “Depositories Act” means the Depositories Act, 1996 and include where the context so admits, any re-enactment or statutory modification thereof for the time being in force.
  - (e) “Depository” means a Depository as defined in Section-2 of the Depositories Act, 1996.

#### **INTERPRETATION:**

2. Unless the context otherwise requires, word or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations becomes binding on the company.
3. The marginal notes and headings given in these presents shall not affect the construction hereof.

#### **TABLE ‘F’ NOT TO APPLY:**

4. The Regulations contained in table “F” in Schedule I of the Companies Act, 2013, shall not apply to the Company but instead thereof regulations contained in these presents shall apply so far as hereinafter expressed.

#### **CAPITAL**

5. The Authorised share Capital of the Company shall be as stated in the Memorandum of Association of the Company.
6. The Company have power to divide the shares in the capital into several classes with rights, privileges or conditions as may be determined.
7. The Company shall have the power to increase or reduce the capital for the time being of the Company and to divide the shares in the capital into several classes with rights, privileges or conditions as may be determined and to vary, modify, amalgamate or abort such rights, privileges or conditions in such manner as may for the time being be decided by the Company by special resolution subject to Section 48 of the Act.

#### **ALLOTMENT OF SHARE:**

8. Subject to the Provisions of the Act and these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose off the same to such persons on such terms and conditions, and at such times, as the Board thinks fit and with power to issue shares as fully or partly paid up in consideration other than cash.

**FURTHER ISSUE OF CAPITAL:**

Provided that where the Directors decide to increase the issued capital of the Company by issue of further shares, the provisions of Section-62 of the Act will be complied with. With the sanction of the Company in General Meeting the Board shall have full power to give to any person by issue of option, warrants, convertible security or otherwise a right to call for the allotment of any shares either at par or at a premium, and for such period and consideration, as the Board thinks fit.

**NEW SHARES TO RANK WITH SHARES IN EXISTING CAPITAL:**

Except so far as otherwise provided by the conditions of issue, by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture lien, surrender, transfer and transmission, voting and otherwise.

The Director may, from time to time issue such non-voting equity shares upon such terms and conditions with such rights and privileges (including with regard to dividend) as may be thought fit subject to and to the extent permissible in accordance with the applicable provisions of the Companies Act, 2013 (including any statutory modification or amendment to or re- enactment thereof) or guidelines issued by any statutory authorities.

**TRUST NOT RECOGNISED:**

9. (A) Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in any such share or any fractional part of such share on the part of any other person whether or not it shall have express or other notice thereof.

(B) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and or any other matters connected with the Company and accordingly Company shall not (except as ordered by Court of competent jurisdiction or as by law required) be bound to recognize any beneficial trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

**WHO MAY BE MEMBERS:**

10. Shares may be registered in the name of any person (including a minor through his legal guardian), Company or other body corporate.
11. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourth of the issued shares of that class or with the sanction of special resolution passed the separate meeting of the holders of the shares of that class. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three –fourths of such other class of shareholders shall also be obtained.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**COMMISSION MAY BE PAID:**

13. (i) Subject to the provisions of the Section 40 of the Act and Rules made there under, the Company may pay commission to any person in connection with the subscription to its securities.

(ii) The Company may pay a reasonable sum for brokerage as may be lawful.

**BROKERAGE:**

14. The Company shall have power to purchase any of its shares whether or not they are redeemable and may make payment out of capital in respect or such purchase subject to and to extent permissible in accordance with the applicable provisions of the Companies Act, 2013 (including any statutory modification or amendment to or re-enactment thereof) Rules made there under or guidelines issued by any statutory authorities.

**POWER TO ISSUE SHARES AT A PREMIUM:**

15. The Company shall have power to issue shares at a premium, but in doing so, the Company shall comply with the provisions of Section 52 of the Act or any statutory modifications thereof.

**SWEAT EQUITY SHARES**

16. Subject to the provisions of the Act and other applicable provisions of the Law, the Company may with the approval of the shareholders by a special resolution in general meeting issue Sweat Equity Shares to the Shareholders of the Company.

**CALLS ON SHARES:**

17. The Board may, from time to time, make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

The Board may call the unpaid amount on shares in one or more instalments.

Each member shall, pay to the Company at the time and times and place so specified, the amount called on his shares.

A call may be revoked or postponed at the discretion of the Board.

18. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
19. The joint holders of the shares shall be jointly and severally liable to pay all calls in respect thereof.
20. (i) If a sum called in respect of shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due may be required to pay interest there on from the day appointed for payment thereof to the time of actual payment at such rate, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

21. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether, on account of the nominal value of the share or by way of premium, shall for the purpose of these regulations, be deemed to be call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**22. THE BOARD:**

(i) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the money uncalled and unpaid upon any share held by him; and

(ii) Upon all or any of the money so advanced, may (until the same would but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the member paying the sum in advance. The Director may at notice in writing. Moneys paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.

23. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the members sued is entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued, in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call, not any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

**TRANSFER AND TRANSMISSION OF SHARES**

**EXECUTION OF TRANSFER ETC:**

24. A. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee and attested has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificate is in existence, along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by the transferor and the transferee and shall contain the name and other particulars of the transferee and transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. The provisions contained in Section 56 of the Act shall be duly complied with the respect of all transfers.

**B. DEMATERIALISATION OF SECURITIES**

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable law.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

- C. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and whose such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

**APPLICATION FOR TRANSFER:**

25. Application for registration of the transfer of shares may be made either by the transferor or the transferee; provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Act and, subject to the provisions of articles 9 and 29 thereof, the Company shall unless objection is made by transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

**NOTICE OF TRANSFER:**

26. Before registering any transfer tendered for registration the Company, may, if it so think fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the Company's office within such number of days as may be prescribed in the act or rules made thereunder from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Company shall be deemed to have decided not to give notice and in any event then on-receipt by the registered holder of any notice shall not entitle to make any claim of any kind against the Company.

**INDEMNITY AGAINST WRONGFUL TRANSFER:**

27. Neither the Company nor its Directors shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties although the same may, by reason of any

fraud or other cause not known to the Company or its Directors, be legally in operative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. And in every such case the person registered as transferee be liable to be set aside. And in every such case the person registered as transferee, his heirs, executor administrators and assigned alone shall be entitled to be recognised as the holder of such shares and the previous holder shall so far as the Company is concerned be deemed to have transferred his whole title thereto.

#### **IN WHAT CASE TO DECLINE TO REGISTER TRANSFER OF SHARES:**

28. Subject to the provisions of the Act, the Board, after assigning any reason for such refusal, may, within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share and may refuse to register a transfer to a transferee of whom the Board does not approve. "Provided that registration of a transfer shall not be refused on the ground of the transfer being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien on shares.
29. Board may also decline to recognise any instrument of transfer, unless:
  - (i) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (ii) The instrument of transfer is in respect of only one class of shares.
30. All instruments of transfer which shall be registered shall be retained by the Company.
31. If the Board refuses to register the transfer of any shares, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.
32. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF REGISTERED SHARES:**

33. The executors or administrators or the holder of a succession certificate in respect of shares of deceased member (not being one of several joint-holders, shall be only person whom the Company shall recognise as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint holders of any registered share the survivors shall be the only persons recognised by Company as having any title to or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration, or succession certificate or other legal representation, as the case may be, from a competent Court in India; PROVIDED nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may in its absolute discretion consider adequate.

#### **AS TO TRANSFER OF SHARES OF DECEASED OR INSOLVENT MEMBERS:**

34. Any person becoming entitled to or to transfer shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by operation of law, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board think sufficient, may, with the consent of the Board (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer herein before contained, transfer such shares. This Article is herein after referred to as "THE TRANSMISSION ARTICLE", subject to any other provisions of these Articles, if the person so becomes entitled to shares under this or the last preceding Article shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the shares to some other person he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid.

#### **NOTICE OF ELECTION TO BE REGISTERED AS TRANSFER APPLICATION:**

Any obligation to give, is registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is herein after referred to as 'THE TRANSMISSION ARTICLE'. Subject to any other provisions of these Articles.

#### **PROVISIONS OF ARTICLES RELATING TO TRANSFER APPLICABLE:**

If the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the shares to some other person, he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer so aforesaid.

#### **RIGHTS OF UNREGISTERED EXECUTORS AND TRUSTEES:**

35. Subject to any other provisions of these Articles and if the Board in their sole discretion are satisfied in regard thereto, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the share.
36. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of the persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had direct or indirect notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto in any book the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to if of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, thought it may have been entered or referred to in some book of the Company.
37. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

#### **NO TRANSFER TO INFANT, ETC.**

38. Transfer may be made to minor or person of unsound mind through his legal guardian.
39. The Articles providing for transmission and transfer of shares, shall mutatis mutandis apply to the transfer and transmission of debentures of the Company.

#### **FORFEITURE AND LIEN**

40. If a member fails to pay any call, or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalments as is unpaid, together with any interest which may have accrued.
41. The Notice aforesaid shall:
- (i) name a further day ((not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
42. In the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

#### **NOTICE AFTER FORFEITURE:**

43. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forth will be made in register of members.
44. (i) A forfeited share shall be deemed to be the property of the Company and may be re- allotted sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may annul the forfeiture on such terms, as it thinks fit.
45. (i) A person whose share have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
46. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The Company may receive the Consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the shares is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iii) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

#### **EFFECT OF FORFEITURE:**

47. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the shares, except only such of those rights as by these articles are expressly saved.
48. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, become payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duty made and notified.

#### **COMPANY'S LIEN ON SHARES:**

49. The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Such lien shall extend to all dividends, rights and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Companies lien, if any, on such share.

#### **AS TO ENFORCING LIEN BY SALE:**

50. For the purposes of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators, and default shall have been made by him or them in the payment, for thirty days after the date of such notice.

#### **APPLICATION OF PROCEEDS OF SALE:**

51. The net proceeds of any such sale shall be received by the Company and applied in or toward payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to him, his executors, administrators, or assigns.
52. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares, sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
53. When any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered upon to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

#### **CERTIFICATES OF SHARES**

##### **CERTIFICATES:**

54. The Certificate of the title to shares shall be issued under the seal of the Company, which shall be affixed in compliance with the Companies (issue of share Certificates) Rules, 1960; for the time being in force.

**MEMBERS RIGHT TO CERTIFICATE:**

55. Every member shall be entitled to free of charge of one or more certificates for all the shares of each class registered in his name, or if the Board so approves to several certificates each for one or more of such shares, but in respect of each additional certificate, the Company if the Board so determines, shall be entitled, but not bound, to charge a fee not exceeding Re. 1/-

**AS TO ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED ETC.**

56. If any certificate be worn out, torn or defaced, otherwise mutilated or rendered useless from any cause whatsoever or there be no further space on the back thereof for endorsement of transfer, then upon production thereof to the Company, the Board shall order the same to be cancelled and shall issue a new certificate, in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board and on such indemnity and advertisement in the matter, as the Board deems proper and adequate being given, a new certificate in lieu thereof may be given. For every such new certificates, and for every new certificate issued on the consolidation or sub-division of certificates, there shall be paid to the Company, if the Board so determines, a sum not exceeding Re. 50/- per certificate. In case of destruction or loss, the member to whom such new certificate is given shall also bear and paid to the Company all legal costs other expenses of the Company incidental to the investigation by the Company of the evidence of such destruction or loss and to the publication of such advertisement and indemnity.

**JOINT-HOLDERS OF SHARES**

**JOINT-HOLDER:**

57. Where two or more persons are registered, the holders of any shares they shall be deemed to hold the same as joint-holders with benefit of survivorship, subject to the provisions following and to the other provisions of these Articles relating to joint- holders:

**MAXIMUM NUMBER:**

The Company shall not be bound to register more than three persons as the joint-holder of any share;

**LIABILITY SEVERAL AS WELL AS JOINT:**

The joint-holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;

**SURVIVORS OF JOINT-HOLDERS ONLY RECOGNISED:**

On the death of any one of such joint-holders the survivor or survivors shall be the only person or persons by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit;

In respect any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate.

**DELIVERY OF CERTIFICATE:**

Only the person whose name stands first in the register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share and to receipt of dividends, cash bonus and notices, and other communications from the Company.

**STOCKS**

### **CONVERSION OF SHARES INTO STOCK AND RECONVERSION:**

58. The Company may, exercise the power of conversion of its shares into stock and in that case Regulations 36 to 37 of Table 'F' in Schedule I to Act, shall apply.

### **ALTERATION OF CAPITAL**

59. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
60. The Company may, by ordinary resolution:
- (i) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (iii) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum.,
  - (iii) Cancel any shares which, at the date of the passing of the resolution, have not been taken on agreed to be taken by any person.
61. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:
- (i) its share capital;
  - (ii) any capital redemption reserve account; or
  - (iii) any share premium account.

### **BUY-BACK OF SHARES**

62. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **BORROWINGS**

#### **POWER TO BORROW:**

63. The Board may, from time to time, at its discretion, subject to the provisions of Act and rules made thereunder, raise or borrow and/or secure payment of any sum or sums of money for the purposes of the Company.

#### **CONDITIONS OF BORROWING:**

64. The Board may raise or secure the payment of repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particularly by the issue of bonds, notes, convertible, redeemable or otherwise perpetual or redeemable or convertible debentures or debenture stock or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
65. If the terms and conditions on which money is borrowed by the Company require that loans made to the Company be, guaranteed by all or any of the Directors of the Company, the Director or the Directors (including the Managing Director) so guaranteeing the loans, shall be entitled to receive such payment on account of his/their having given such guarantee as may be determined by the Board. All such payment shall not be a remuneration in respect of his/their serving as a Director of the Company, but this shall be subject to the relevant provisions of the Act.

**LOAN BY DIRECTORS:**

66. A Director shall be entitled to receive such interest on any loan made by him to the Company as may be agreed between the Board and the Director making the loan to the Company.

**ISSUE OF DEBENTURE:**

67. Any debenture, debenture-stock, bonds or other securities may be issued at a premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, or conversion, appointment of Directors and otherwise and upon such terms and conditions as the Board may think fit. Debenture, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

**GENERAL MEETINGS**

68. The Annual General Meeting shall be held in accordance with provisions of Section 96 of the Act, and shall be called for a time during business hours, on a day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated, as the Board of Directors may determine and the notice calling the meeting shall specify it as the Annual General Meeting.

**RIGHT TO ATTEND GENERAL MEETING:**

69. Every member of the Company shall be entitled to attend every General Meeting either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting on any part of the business which concerns him as Auditor.

**DISTINCTION BETWEEN ORDINARY & EXTRA-ORDINARY MEETING:**

70. All General Meetings other than Annual General Meetings shall be called extra-ordinary General Meetings.
71. The Board of Directors of the Company may, whenever they think fit, call an Extra-ordinary General Meeting and such meeting shall be held at such place and time as the Board thinks fit.
72. If any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director or any two members of the Company may call an extra ordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

**CALLING OF EXTRA-ORDINARY GENERAL MEETING ON REQUISITION:**

73. The Board of Directors of the Company shall on the requisition of members in accordance with the provisions of the Act, forthwith proceed duly to call an extra ordinary General Meeting of the Company.

**NOTICE OF MEETING:**

74. A General Meeting of the Company may be called by giving not less than such number of days notice as specified in writing or through electronic mode in such manner as may be prescribed in the act or rules made thereunder..

**SERVICE OF NOTICE:**

75. Notice of every general meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of business to be transacted thereat.

Notice of every general meeting of the Company shall be given to every member of the Company, legal representatives of any deceased member or assignees of any insolvent member., the Auditor or Auditors of the Company and Every Director of the Company

**OMISSION TO GIVE NOTICE NOT TO INVALIDATE MEETING:**

76. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

**RESOLUTION REQUIRING SPECIAL NOTICE:**

77. Where by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company to the members as provided in provisions of the Act.

**QUORUM:**

78. No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business, save as otherwise provided, quorum for a General Meeting shall be as per the provisions of the Act.

**IF QUORUM NOT PRESENT WHEN MEETING TO BE DISSOLVE & WHEN TO BE ADJOURNED:**

79. If, within half an hour from the time appointed for holding the meeting a, quorum be not present, the meeting if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjournment to the same day in the next week at the same place and time or to such other day at such other time and place as the Board may determine.

**ADJOURNED MEETING TO TRANSACT BUSINESS EVEN IF NO QUORUM PRESENT:**

80. If at such adjourned meeting, a quorum of members is not present within half an hour from the time appointed for holding the meeting, the members present, whatever their number, NOT BEING LESS THAN TWO, shall be a quorum, and may transact the business, and decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place, if a quorum had been present thereat.
81. The Chairman of the Board, if any, shall, if present and willing, be entitled to take the Chair at every General Meeting; whether Annual or Extra-ordinary, but if there be no such Chairman or in case of his not being present or being unwilling or failing to take the Chair within 15 minutes of time appointed for holding such meeting, the members present, shall choose another Director as Chairman, and if all the Directors present decline to take the Chair or if there be no Director present then the members present shall choose one of their own number to be Chairman of the meeting. If a poll is demanded for the appointment of Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands exercising all the powers of the Chairman for the purpose of such poll. If some other person is elected Chairman as a result of such poll, he shall be the Chairman for the rest of the meeting.

**WHEN CHAIR VACANT, BUSINESS CONFINED TO ELECTION OF CHAIRMAN:**

82. No business shall be transacted at any General Meeting except the election of Chairman, whilst the Chair is vacant.

**CHAIRMAN WITH CONSENT OF MEMBERS MAY ADJOURN MEETING:**

83. The Chairman may, with the consent of a majority of the members personally present at any meeting, adjourn such meeting from time to time and from place to place, but no business shall be transacted at any the adjourned meeting from which the adjournment took place.

A resolution passed at adjourned meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

**NOTICE OF ADJOURNMENT:**

84. Whenever any meeting is adjourned for 30 days or more, notice of such adjourned meeting shall be given as in the case of any original meeting. Save as aforesaid it shall not be necessary to give any notice of any adjourned meeting or of the business to be transacted at an adjourned meeting.

**VOTING BY SHOW HANDS:**

85. (i) At any General Meeting, a resolution put on vote of the meeting shall unless a poll is demanded or the voting is carried out electronically be decided on a show of hands.

**CHAIRMAN'S DECLARATION OF RESULT OF HANDS CONCLUSIVE:**

- (ii) A declaration by the Chairman in pursuance of clause: (i) hereof that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such a resolution. [contingent](#)

**POLL:**

86. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company:
- (i) which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than five lakhs rupees or such higher amount as may be prescribed under the Act has been paid up and
- (ii) by any member or members present in person or by proxy and holding shares in the Company a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid on all the shares conferring that right.

**WITHDRAWAL OR DEMAND FOR POLL:**

87. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**TIME OF TAKING POLL:**

88. If a poll is duly demanded, the same if on the election of Chairman of a meeting or on any question of adjournment, shall be taken forth with at the meeting and without adjournment, and on any other question, shall be taken in such manner and such time and place, and either at once, or after an interval or adjournment not being later than forty-eight hours from the time when the demand was made, as the Chairman of the meeting, who subject to the provisions of the Act shall have power to regulate the manner in which a poll shall be taken, shall direct.

**POLL HOW TO BE TAKEN:**

89. Every such poll may be taken either by open voting or by ballot as the Chairman of the meeting at which the poll was demanded may direct. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

**APPOINTMENT OF SCRUTINEERS:**

90. Two scrutinisers shall be appointed by the Chairman to scrutinise the votes given on the poll and to report to him. The Chairman shall have the power at any time before the result of the poll is

declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal of from any other cause. At least on scrutineer shall be a member present at the meeting not being an officer or employee of the Company, provided such a member is available and willing to be so appointed.

91. The decision of the Chairman on any difference between the scrutineers shall be conclusive.

**OTHER BUSINESS MAY PROCEED NOT WITH STANDING DEMAND OF POLL:**

92. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

**CASTING VOTE OF THE CHAIRMAN:**

93. In case of any equality of votes the Chairman of any meeting shall both on the show of hands or at a poll (if any) held pursuant to a demand made at such meeting have a casting vote in addition to the vote or votes to which he may be entitled as a member.

**MINUTES OF GENERAL MEETING:**

94. The Company shall cause minutes of the proceedings of every of General Meeting to be entered in the book kept for that purpose and the minutes shall contain and include the matters specified in provisions (Section 118) of the Act.

**BOOKS OF MINUTES OF GENERAL MEETING TO BE KEPT:**

95. The books containing the aforesaid minutes shall be kept at the Registered of Office of the Company and be open to the inspection of any member without charge as provided in provisions (Section 119) of the Act and any member shall be furnished with a copy of any minutes in accordance with the terms of the Section.

**VOTES OF MEMBERS**

**INDEBTED MEMBERS NOT TO VOTE:**

96. No members shall be entitled to exercise any voting right on any question either personally or by proxy or upon poll in respect of any shares registered vote in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has or have exercised any right of lien.

**VOTE OF A PERSON OF UNSOUND MIND:**

97. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hand or at a poll, by his committee or other legal guardian.

**REPRESENTATION OF CORPORATION:**

98. (i) A body corporate (whether a Company within the meaning of the Act or not) may by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the. Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

(ii) When the President of India or Governor of a state is member of the Company, the President or, as the case may be, the Governor may appoint such person as the thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such person shall be deemed to be a member of the Company and shall be entitled

to exercise the same rights and powers, including the right to vote proxy, as the president or, as the case may be, the Governor could exercise as a member of the Company.

**NUMBERS OF VOTES TO WHICH MEMBER IS ENTITLED:**

99. Subject to and without prejudice to any special privileges or restriction or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company, every member entitled to vote under the provisions of these presents and not disqualified under the Act shall on a show of hands have one vote, and upon a poll every member present in person or by proxy or agent duly authorised by a power of attorney or representative duly authorised and not disqualified as aforesaid shall have voting rights in proportion to his share of the paid-up equity capital of the Company subject however to any limits imposed by law. But no member shall have any voting right in respect of any money paid in advance.

**RIGHT TO USE VOTE DIFFERENTLY:**

100. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as case may be, need not, if he votes, use all votes or cast in the same way all the votes he uses. A member or his proxy who votes shall be deemed to have used all his votes unless he expressly gives written notice to the contrary at the time he casts any votes.

**JOINT-HOLDERS:**

101. Where there are joint registered holders of any share any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting, then one of the said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote.

**VOTES OF PERSON ENTITLED TO A SHARE ON TRANSMISSION:**

102. Any person entitled under the Transmission Article to transfer any shares shall not be entitled to be present, or to vote at any meeting either personally or by proxy, in respect of such shares, unless forty eight hours at least before the time for holding the meeting or adjourned meeting as the case may be, at which he proposes to be present and to vote, he shall have satisfied the Board of his right to transfer such share (as to which the opinion of the directors shall be final) or unless the Board shall have previously admitted his right to vote in respect thereof.

**PROXIES:**

103. Any member entitled to attend any vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting. Such proxy shall not be entitled to vote except on a poll.

**INSTRUMENT OF PROXY TO BE IN WRITING:**

104. The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a body corporate, such instrument shall be under its seal or be signed by an officer or attorney duly authorised by it, or by the person authorised to act as the representative of such Company under provisions of the act thereof.

**PROXY MAY DEMAND POLL:**

Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer.

**INSTRUMENT APPOINTING A PROXY WHEN TO BE DEPOSITED AT THE OFFICE:**

105. No instrument of proxy shall be treated as valid and no person shall be allowed to vote or act as proxy at any meeting under an instrument of proxy, unless such instrument of proxy and the power-of-attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the registered office of the Company, at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote.

Notwithstanding that a power-of-attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney at least seven days before the date of a meeting require him to produce the original power-of-attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

**CUSTODY OF THE INSTRUMENT OF APPOINTMENT:**

106. If any such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain, permanently or for such time as the Board may determine, in the custody of the Company and if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in its custody.

**FORM OF PROXY:**

107. The instrument appointing a proxy may be in of the forms set out in provisions of the Act and rules made thereunder.

**VOTE OF PROXY HOW FAR VALID:**

108. A vote given in pursuance or an instrument of proxy, shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy or any power-of-attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the Registered Office of the Company before the vote is given.

**TIME FOR OBJECTION TO VOTE:**

109. No objection shall be made to the validity for any vote, except at the meeting or adjourned meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy, and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

**CHAIRMAN SOLE JUDGE OF THE VALIDITY OF A VOTE:**

110. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting and the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

**BOARD OF DIRECTORS**

111. Until otherwise determined by a General Meeting, the number of Directors shall not be less than three nor more than fifteen including nominee directors.
112. The Directors at the date of the adoption of these articles are:

- 1. VIJAY KUMAR GOEL**
- 2. MUKUL SHARMA**
- 3. NALIN KUMAR GUPTA**

**APPOINTMENT OF DIRECTORS AND PROPERTIES OF THOSE WHO ARE TO RETIRE BY ROTATION:**

113. Not less than two-third of the total number of the Directors (excluding independent and nominee directors) of the Company shall:
- (a) Be person whose period of office is liable to determination by retirement of Directors by rotation; and
  - (b) Save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.
114. Until otherwise determined by the Company in General Meeting a Director shall not be required to hold any share in the capital of the Company as his qualification.
115. (i) The Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting, subject to the provisions of the Act.
  - (iii) No person, not being a retiring Director shall unless recommended by the Directors for election, be eligible to the office of Directors at any general, meeting unless he or some other member intending to propose him has at least fourteen clear days and not more than twenty-eight days before the meeting sent to the office. A notice in writing duly signed signifying his candidature for the office or the intention of such member to propose him along with a deposit of one lakh rupees which shall be refunded to such person, or as the case maybe, to such member, if the person succeeds in getting elected as a Director.
116. If the office of any Director appointed by the Company in general meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Directors in whose place he is appointed would have held office if it had not been vacated as aforesaid.

**POWER TO APPOINT EX-OFFICIO DIRECTORS:**

117. The Board may, subject to the provisions of the Act, appoint any person as a director nominated by any institution or body corporate in pursuance of the provisions of any law for the time being in force. A director appointed under this Article shall be referred as 'Nominee Director' means any director for time being in office under this Article.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the lenders; such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Lenders, such nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the office only so long as long as moneys remain owing by the Company to the Lenders or so long as the Lenders holds Debentures in the Company as a result of direct subscription or provide private placement or so long as the Lenders

hold shares in the Company as a result of underwriting or direct subscriptions or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office, immediately the moneys owing by the Company to the Lenders is paid off or on the Lenders leaving to hold Debentures/shares in the Company or on the satisfaction of the Company arising out of Guarantee furnished by the Lenders. The Nominal Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member(s) as also the minutes of such meetings. The Lenders shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director's sitting fee and expenses which the other Directors of the Company are entitled to.

118. The company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him/her in accordance with the provisions of the Act. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of independent directors.

#### **REMUNERATION OF DIRECTORS:**

119. The remunerations of a Director for his service shall be such amount, not exceeding the sum as prescribed in the provisions of the Act and rules made thereunder. The remuneration shall be approved by the Board (including any committee thereof) and by the shareholders as may be required. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

120. The Directors may allow and pay to any Director who not being a bona fide resident of the place where the meeting of the Board of Directors or a Committee thereof is held, shall come to the place for the purpose of attending the meeting, such sum or sums of money as the Directors may consider fair compensation for his travelling and other expenses, in addition to his fees for attending such meeting as above specified; and to Director may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles and may be pay the same.

#### **REMUNERATION FOR EXTRA SERVICE:**

121. If any Director, being willing, shall be called to perform extra services (which expression shall include work done by a Director as a member of any Committee formed by the Directors or *in* relation to signing share certificate or debenture) or to make any special exertions for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed sum or by a percentage of profits, or otherwise as may be determined by the Directors; and such remuneration may be either in addition to or in substitution for his or their share in remuneration above provided.

#### **PROCEEDINGS OF DIRECTORS**

##### **MEETINGS OF DIRECTORS:**

122. The Board may meet for the dispatch of business adjourn and otherwise regulate their meetings and proceedings as they think fit subject to Provisions of the Act.

#### **WHEN MEETING TO BE CONVENED:**

123. A Director may at any time, or the Secretary, upon the request of a Director, shall convene a meeting of the Board of Directors. Notice of every meeting of the Directors shall be given in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. 127. If a meeting of the Board could not be held for want of quorum of meeting shall be adjourned and held on such day and in such manner as may be decided by the Board.
124. Subject to provisions of the Act, the quorum for a meeting of the Board of Directors shall be one-third or its total strength or two Directors whichever is higher, and the participation of the directors by video conferencing by other audio-visual means shall also be counted for the purpose of quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-third of the total strength, the number of the Directors who are not interested, present at the meeting being not be less than two, shall be the quorum during such time.

#### **CHAIRMAN:**

125. The Directors may from time to time elect one of their member to be Chairman of the Board of Directors and determine the period for which he is to hold office but if no such Chairman is elected, or if any meeting of the Board of Directors the Chairman is not present within five minutes of the time appointed for holding the same, the Directors present shall choose one of their member to be Chairman of such meeting.

#### **VOTING AT BOARD MEETING:**

126. (i) Questions arising at any Board Meeting shall be decided by a majority of votes each Director having one vote, and in case of an equality of votes, the chairman shall have a second or casting vote.

#### **CHAIRMAN OF MEETING:**

- (ii) The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors and shall also preside all General Meetings of the Company: Provided that if the Chairman of the Board of Directors is not present, the Directors present shall choose one of their number to be Chairman of such meeting.

#### **ACTS OF MEETING:**

127. A meeting of the Board of Director for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions by or under the Articles of the Company or the Act for the time being vested in or exercisable by the Board of Directors.

#### **DELEGATION TO COMMITTEE:**

128. The Board of Directors may, subject to the restrictions contained in provisions of the Act and rules made thereunder from time-to-time delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to-time revoke and discharge and such Committee of the Board either wholly or in part and either as to persons or purposes. But every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like course and effect as if done by the Board. The meetings and proceedings of any such Committee of the Board if consisting of two or more members, shall be governed by the provisions for regulating the meetings and proceedings of the Board of Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Article.

129. All acts done at any meeting of the Board of Directors or of a Committee of the Board or any person acting as a Director shall, notwithstanding that shall afterwards be discovered that there was some defect in the appointment of any such directors, Committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and not vacated office or his appointment had not been terminated. Provided always that nothing in this Article shall be deemed to give validity to acts done by such Directors, Committee or person acting as aforesaid after it has been shown that there was some defect in any appointment or that they or any of them were disqualified.

#### **RESOLUTION BY CIRCULATION:**

130. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers if any, to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum for a Meeting of the Board or Committee, as the case may be), and be all other Directors or members of the Committee, at their usual address in India by hand delivery or by post or by courier or through such electronic means as may be prescribed and has been approved by majority of the Directors or members of the Committee as are then in India.

131. Subject to the provisions of the Act a director may resign his office at anytime by notice in writing addressed to the Company or to the Board of Directors.

132. The continuing Directors may act notwithstanding any vacancy in the Board; but it and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Directors may Act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

133. The Company shall cause minutes or the meetings of the Board of Directors and *of* Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meetings including the following:

- (i) the names of the Directors present at such meetings of the Board of Directors, and of any Committee of the Board;
- (ii) all orders made by the Board of Directors and Committee of the Board and of all appointments of officers and Committees of Board;
- (iii) all resolutions and proceedings of meetings of the Board of Directors and Committees of the Board; and
- (iv) in the case of each resolution passed at the meeting *of the* Board of Directors, or Committees of the Board the names of Directors, if any dissenting from or not concurring in the resolution.

#### **BY WHOM MINUTES TO BE SIGNED AND THE EFFECT OF MINUTES RECORDED:**

134. All such minutes shall be signed by Chairman of the meetings as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall be for all purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded, and the actual passed regular transaction or occurrence of the proceeding so recorded and of the regularity or the meeting at which same shall appear to have taken place.

#### **ROTATION OF DIRECTORS**

#### **RETIREMENT OF DIRECTORS BY ROTATION:**

135. Not less than two-thirds of the total number of directors of the company shall (i) be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in this Act, be appointed by the company in general meeting.

Explanation: for the purposes of this article, "total number of directors" shall not include Independent Director appointed on the Board of the Company.

At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office, subject to the provisions of the Act.

#### **ASCERTAINMENT OF DIRECTORS RETIRING BY ROTATION AND ELIGIBILITY FOR RE-APPOINTMENT:**

136. Subject to provisions of the Act, the Directors to retire at every Annual Meeting shall be those (other than special Director or Directors who by virtue of the provisions of these Articles or of any agreement with any Central or State Government or Bank or Financial institutions are not liable to retire by rotation) who shall have been longest in office since their last appointment. As between person who became Directors on the same day those who are to retire shall (in default of any subject to any agreement among themselves) be determined by lot for the purpose of this Article a Director appointed to fill a vacancy under the provisions of the Act hereof shall be deemed to have been in office since the date on which the Directors in whose place he was elected as a Director, a retiring Director shall retain office until the conclusion of the meeting at which his reappointment is decided or his successor is appointed.

#### **RETIRING DIRECTOR ELIGIBLE FOR RE-ELECTION:**

137. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
138. At the Annual General Meeting at which a director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
139. (i) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place or till such other day, time and place as the Directors may be notified to the members appoint.

(ii) If at the adjourned meeting also the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:

- a. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
- b. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so reappointed;
- c. he is not qualified or is disqualified for appointment;
- d. a resolution whether special or ordinary, is required, for his appointment or re-appointment by the provisions of the Companies Act.

#### **RIGHT OF PERSONS OTHER THAN RETIRING DIRECTORS TO STAND FOR DIRECTORSHIP:**

140. A person who is not a retiring shall, subject to the provisions of these Articles, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has, not than fourteen days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for the office, as the case may be.

#### **MANAGING DIRECTOR, MANAGER OR SECRETARY**

141. The Board of Director have power to appoint Managing/Executive/Whole time Directors for efficiently managing the affairs of the Company. Such appointment or re-appointment of Managing/ Executive/ Whole-time Directors shall be governed by the provisions of Section 197, 2013 and other applicable provisions of the Companies Act, 2013.
142. A Managing/Executive/Whole-time Director appointed above shall, while he continues to hold that office, be subject to the same provision as to resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing/ Executive/ Whole time Director if he ceases to hold the office of a Director from any cause.
143. The Board may, from time to time entrust to and confer upon the Managing/ Executive/Whole time Director such of the power exercisable under these presents by the Board of Directors as they may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.
144. The Board may appoint Key Managerial Personnel's, in terms of Section 203 of the Act shall be appointed by the Board as per the requirement of the applicable provisions of the Act.

#### **POWERS OF DIRECTORS**

145. The Management and control of the business of the Company shall be vested in the Board of Directors who may exercise all such powers of the Company any do all such acts and things as are not, by the Act or any statutory modification thereof for the time being in force or by any other Act or by the memorandum or by these Articles, required to be exercised by the Company in General Meeting, Subject nevertheless to any regulation of these Articles, to the provisions of the Act or any statutory modification thereof for time being in force or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions; as may be prescribed by the Company in General Meeting but no regulations made by Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
146. Subject to and in accordance with the provisions of the Act, the Board shall retain and employ such staff as may be necessary for carrying on the business of the Company. The salary or other remuneration of such staff shall be defrayed by the Company, and all or any of such staff be engaged exclusively for the Company or jointly with other concerns.

#### **LOCAL MANAGEMENT**

147. Subject to the provisions of the Act, the following regulations shall have effect:
- (i) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be applicable without prejudice to the general powers conferred by this paragraph.

#### **LOCAL DIRECTORATE DELEGATION:**

- (ii) The Board from time to time, and at any time may establish any local Directors or Committee for managing any of the affairs of the Company Outside India, or in any specified locality in India, and may appoint any persons to be members of such local Directorate or any specified locality in India, and may appoint any persons to be members of such local directorate or any Managers or agents and may fix their remuneration and, save as provided in provisions of the Act, the Board from time to time and at any time, may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and authorise the members for the time being of any such local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such terms and conditions as the Board may think fit and the Board may, at any time, remove any person so appointed and may annual or vary any such delegation.

**POWER OF ATTORNEY:**

- (iii) The Board may, at any time, and from time to time, by power-of-attorney under seal, appoint any persons to be the attorneys of Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit, any such appointment may, if the Board think fit be made in favour of the members or any of the members or any local Directorate established as aforesaid, or in favour of any fluctuating body of persons whether nominated Directly or indirectly by the Board; and any such power-of-attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.

**SUB-DELEGATION:**

- (iv) Any such delegates or attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

**SECRECY**

**NO MEMBER TO ENTER THE PREMISES OF COMPANY WITHOUT PERMISSION:**

148. Subject to the provisions of these Articles and the Act no member or other person (not being a Director) shall be enter the property of the Company or inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of the trade secret, mystery or trade; or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the directors, it will be inexpedient in the interest of the Company to communicate.

**DECLARATION OF SECRECY:**

149. Every Director, Manager, Auditor, Trustee, member of a Committee; officer servant, agent, accountant or other person employed in the business of the Company, shall, if so required by the Directors or Managing Director sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall be such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of the duties except when required to do so by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained or the Act.

**RESERVES**

150.(i) The Board may before recommending any dividend set aside out of the profit of the Company such as it thinks proper as a reserve or reserves which shall at the discretions of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalising dividends, and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments other than shares in the Company as the Board may, from time to time, think fit, *subject to* the provisions of the Act.

(ii) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

## **DIVIDENDS AND CAPITALISATION**

### **DIVISION OF DIVIDENDS:**

151.(i) Subject to the rights of persons if any entitled to shares with special rights as to dividends, all dividends, shall be declared and paid according to the amounts paid or credited as paid on the shares in respect where of the dividend is paid on the shares in respect where of the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the nominal amount of the shares.

(ii) Unless otherwise decided by the Board all dividend shall be apportioned and paid proportionately to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividends is paid, but if any shares is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **CAPITAL PAID IN ADVANCE OF CALLS:**

(iii) When capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

### **DECLARATION AND PAYMENT OF DIVIDENDS:**

152. The Company in General Meeting may subject to the provisions of the Act declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment.

### **RESTRICTION ON AMOUNT OF DIVIDENDS:**

153. No dividend shall exceed the amount recommended by the Directors; however, the Company in General Meeting may declare a smaller dividend than recommended.

154. Subject to the provisions of the Act, the declaration by the Board as to the amount of the net profits of the Company in any year shall be conclusive.

### **INTERIM DIVIDENDS:**

155. Subject to the provisions of the Act, the Board may from time to time pay to the member such interim dividends as in their judgement the position of the Company justifies.

### **DEBTS MAY BE DEDUCTED:**

156. The Board may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

### **COMPANY MAY RETAIN DIVIDENDS:**

157. The Board may retain the dividend payable upon shares in respect of which any person is under the Transmission Article entitled to become a member or which any person that Article is entitled to transfer until such person shall become a member or shall duly transfer the same.

**NO MEMBER TO RECEIVE ANY INTEREST OR DIVIDEND WHILE INDEBTED TO THE COMPANY:**

158. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or otherwise whosoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

**DIVIDEND AND CALL TOGETHER:**

159. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.

**ANY ONE OF JOINT-HOLDERS CAN GIVE RECEIPTS:**

160. Any one of several persons who are registered as joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

**PAYMENT BY POST:**

161. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint-holders or to such address as the member or person entitled or such joint-holders, as the case may be, may direct.

**COMPANY NOT LIABLE OR RESPONSIBLE OR ANY CHEQUE / WARRANT LOST IN TRANSMISSION:**

162. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means, several executors or administrators of a deceased member in whose sole name any share stands, shall for the purposes of this clause be deemed to be joint-holders thereof.

**UNCLAIMED DIVIDENDS:**

163. "No unclaimed or unpaid dividend shall be forfeited by the Board". Dividends remaining unclaimed after having been declared shall be dealt with in accordance with the provisions of the Act.

**WHEN PAYMENT A GOOD DISCHARGE:**

164. The payment of every cheque or warrant sent under the provisions of the preceding Articles No. 166 hereof shall if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.
165. (i) The Company in General Meeting may, upon the recommendation of the Board resolve:
- (a) that it is desirable to capitalise any part of the amount of the time being standing to the credit of any of the Company reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards:
    - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively.
    - (b) paying up in full, unissued shares of the Company to the allotted and distributed, credited, as fully paid up, to and amongst such members in the proportions aforesaid; or
    - (c) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
    - (iii) A share premium account and a capital redemption reserve account may, for the purposes of the regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
    - (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
166. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (a) make full appropriations and applications or undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any; and
  - (b) generally do all act and things required to give effect thereto.
  - (ii) The Board shall have full power:
    - (a) To make such provisions, by the issue of fractional certificates or by payment in case or otherwise as it thinks fit, in case of shares or debentures becoming distributable in fractions, and also.
    - (b) To authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may) require for the payment up by the Company on their behalf, by to the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- Any agreement made under such authority shall be effective and binding on all such members.

## **ACCOUNTS**

167. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive except as regard any matters in respect of which modifications may from time to time be considered proper by the Board of Directors and approved by the share- holders at a General Meeting.

## **INDEMNITY**

168. Subject to the provisions of the Act, every Director, Manager Secretary and other Officer or employee of the Company shall be indemnified against, and it shall be the duty of the Directors to pay out of the funds of the Company all cost, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other Officer or employee may incur or become liable to be reason of any contrast entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him or them as such Director, Manager, Secretary, Officer or employee in defending any proceedings whether civil or criminal, in which

judgement is given in his or their favour or he or they is or are acquitted, or in connection with any application under provisions of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

#### **INDIVIDUAL RESPONSIBILITY OF DIRECTORS:**

169. Subject to the provisions of the of the Act and so far as such provisions permit, not Director, Auditor, Manager or other Officer of the Company shall be liable for Acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage occasioned by any error of judgment omission, default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty or wilful default.

#### **SERVICE OF NOTICE AND DOCUMENTS**

##### **SERVICE OF NOTICE & DOCUMENT OF MEMBERS BY COMPANY:**

170. A notice or document may be served by the Company on any member either personally, or by sending it by post to him to his registered address or through electronic mode in such manner as may be prescribed by the Act, or if he has not registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to him. Unless the contrary is proved such service shall be deemed to have been effected as provided in the Act.
171. A notice or document advertised in a Newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be dully served on the day on which the advertisement appears, or every member of the Company, who has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him;
172. A notice or document maybe served by the Company on the joint-holders of a share by serving it on the joint-holder named first in the register in respect of the share;
173. A notice or document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representative of the deceased, or assignees of the insolvent, or by any like description, at the address if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it such it such it might have been served if the death or insolvency has not occurred.
174. Every notice of a meeting shall specify the place and the day and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
175. The accidental commission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

##### **TRANSFEREES ETC. BOUND BY PRIOR NOTICES:**

176. Every person, who by operation of law, transfer or other means what so ever shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered on the register, shall be duly given to the person from whom he derives his title to such share.

#### **HOW NOTICE TO BE SIGNED:**

177. The signature to any notice to be given by the Company may be written or printed.

#### **RECONSTRUCTION:**

178. Subject to the provisions of the Companies Act, on any sale of the undertaking of the Company, the Director or the Liquidators on a winding up may, if authorised by a special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company whether incorporated in India or not either than existing to be formed for the purchase in whole or in part of the Company. The Liquidators (in a winding up), may distribute such shares, or securities or any other property of the Company amongst the contributories without realisation or vest the same in trustees for them and may if authorised by special Resolution provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and the contributories shall be bound to accept and shall be bound by any valuations or distribution so authorised and waive all rights in relation thereto, save such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

#### **WINDING UP**

##### **DISTRIBUTION OF ASSETS:**

179. Upon the winding up of the Company, the holders of Preference Shares, if any shall be entitled to be paid all arrears of preferential dividend up to the commencement of winding up and also to be repaid the amount of capital paid up or credited as paid up on such Preference Shares held by them respectively, in priority to the Equity Shares, but shall not be entitled to any other further rights to participate in profits or assets; subject as aforesaid and to the rights of any other holders of shares entitled to receive preferential payment over the Equity Shares, in event of the winding up of the Company the holders of the Equity Shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such Shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively, at the commencement of the winding up if the assets shall be insufficient to repay the whole of the paid-up Ordinary Capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members holding Equity Shares in proportion to the capital paid up or which ought to have been paid up on the Equity Shares held by them respectively at the commencement of the winding up, other than the amounts paid by them in advance of calls.

180. If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide among the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them, as the Liquidators, the like sanction, shall think fit.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e., Monday to Friday and not being a bank holiday in Uttar Pradesh) between 10:00 AM and 2:00 PM for a period of 7 days from the date of filing of this Information Memorandum with the Stock Exchanges.

### *Documents for Inspection*

- Memorandum and Articles of Association of the Company
- Certificate of incorporation of our Company dated October 26, 2020.
- Certificate pursuant to change of name, conversion of company from private limited to public limited dated April 21, 2021 and April 22, 2021, respectively.
- Statement of tax benefits dated June 2, 2022 issued by the M/s. Mittal Gupta & Co., Chartered Accountants.
- NCLT order dated April 27, 2022 (certified true copy of the order was received on April 29) approving the Scheme of Arrangement.
- Letters issued by BSE and NSE under Regulation 37 of the SEBI Listing Regulations, bearing reference no. DCS/AMAL/MJ/R37/2074/2021-2022 dated 8<sup>th</sup> September 8, 2021 and NSE/LIST/27267\_II dated 15<sup>th</sup> September 15, 2021 respectively, approving the Scheme of Arrangement.
- Copy of the Fairness Report provided by Centrum Capital Limited dated June 7, 2021 and Valuation Report issued by Anuradha Gupta, Registered Valuer, dated June 7, 2021.
- SEBI's letter (bearing reference no. [●]) dated [●] granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular issued by SEBI dated 23<sup>rd</sup> November, 2021 for the purpose of listing of the shares.
- NSE letter no. [●] dated [●] granting in-principle approval for listing.
- BSE letter no. [●] dated [●] granting in-principle approval for listing.
- Tripartite Agreement dated June 14, 2021 with NSDL, Registrar and Transfer Agent and our Company.
- Tripartite Agreement dated July 2, 2021 with CDSL, Registrar and Transfer Agent and our Company
- Copy of Scheme of Arrangement between Dhampur Sugar Mills Limited and Dhampur Bio Organics Limited and their respective shareholders and creditors.
- Copy of the Board Resolution dated June 7, 2021 for approving the Scheme of Arrangement.
- Audited financial Results for the period ended March 31, 2021 and December 31, 2021.

Note: Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of Company or if required by other parties, without reference to the shareholders, subject to compliance with applicable law.

## DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of Securities and Exchange Board of India Act, 1992 as the case may be, have been compiled with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. All statements made in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of  
Dhampur Bio Organics Limited**

  
**Ashu Rawat**  
**Company Secretary**  
**M. No. 22810**



Place: New Delhi  
Date: 20.06.2022