

The Calcutta Stock Exchange Ltd.

7, Lyons Range, Kolkata - 700 001
Phone : +91 33 4025 3000, Fax : +91 33 4025 3030 / 3017
Website : www.cse-india.com, E-mail : cseadm@cse-india.com
CIN: U67120WB1923PLC004707

Ref.No. CSE/LDI/16339/2024

August 13, 2024

The Company Secretary
DALMIA BHARAT REFRACTORIES LIMITED
Dalmiapuram, Dist. Tiruchirapalli,
TamilNadu, India

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Arrangement between Dalmia Bharat Sugar and Industries Limited (DBSIL) (Demerged Company) with Dalmia Bharat Refractories Limited (DBRL) (Resulting Company).

We are in receipt of the composite Scheme of Arrangement between Dalmia Bharat Sugar and Industries Limited (DBSIL) (Demerged Company) with Dalmia Bharat Refractories Limited (DBRL) (Resulting Company) as required under SEBI Circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI vide its e-mail dated August 13, 2024 has inter alia given the following comment(s) on draft Scheme of Arrangement:

- Company shall ensure to disclose all the details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any against the Company, its promoters and directors before Hon'ble NCLT and shareholders, while seeking approved of the Scheme.
- Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall ensure compliance with the SEBI circulars issued from time to time"
- Company shall duly comply with various provisions of the Circulars" and ensure the liabilities of Transferor Company are transferred to the Transferee Company.
- Company shall ensure that information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridge prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposed accompanying resolution to be passed, which is sent to the shareholders for seeking approval.
- Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.
- Company shall ensure that the details of the proposed Scheme under consideration as provided by the company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.
- Company is advised to disclose the (i) details of assets, liabilities, revenue of the companies involved in the scheme, both pre and post scheme of arrangement, (ii) assets, liabilities revenue and net worth of the demerged undertaking along with a write upon the history of the demerged undertaking (iii) latest net worth certificate along with statement of assets and liabilities of both demerged company and resulting company for both pre and post the scheme of arrangement, (iv) Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed/demerged entity in last three financial years and (v) the need, rationale and synergies of the scheme along with its impact on the shareholders of demerged company as submitted by company. The shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.

(contd ...P/2)

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- Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be demat form only.
- Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the Scheme document.
- Company shall ensure that no changes to the draft scheme except those mandated by the regulators /authorities / tribunals shall be made without specific written consent of SEBI.
- Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the companies are obliged to bring the observations submitted to Stock Exchanges and SEBI while processing the scheme and as advised by SEBI vide email dated September 21, 2023. shall form part of disclosure to the shareholders".
- It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments / observations on draft scheme by SEBI /Stock Exchanges. Hence the companies are not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments /observations /representations.

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

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

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

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

Kindly note that as required under Regulation 37(3) of SEBI (LODR) Regulation, 2015. **The validity of this Observation Letter shall be Six Months from the date of this Letter.** Within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities

Yours faithfully,

For THE CALCUTTA STOCK EXCHANGE LTD.

Chandrani
13/8/24
(Chandrani Datta)
Company Secretary.

Kanchan
13/8/24