REPORT OF THE AUDIT COMMITTEE OF DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN HIPPOSTORES TECHNOLOGY PRIVATE LIMITED ("THE DEMERGED COMPANY" OR "HTPL") AND DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED ("THE RESULTING COMPANY" OR "DBSIL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Members present:

The following members of the audit committee of Dalmia Bharat Sugar and Industries Limited ("**Resulting Company**") were present at the meeting held on Tuesday, November 03, 2026:

1.	Smt. Amita Misra	-	Chairperson
2.	Shri Neeraj Chandra	-	Member
3.	Shri Pankaj Rastogi	-	Member

1. **Background**

1.1. A meeting of the audit committee of the Resulting Company ("**Committee**") was held on November 03, 2026 to consider, and if thought fit, recommend the proposed Scheme of Arrangement between Hippostores Technology Private Limited ("**Demerged Company**" **or "HTPL")** and Dalmia Bharat Sugar and Industries Limited ("**Resulting Company**" **or "DBSIL")**, to the Board of Directors ("**Board**") of the Resulting Company, which provides, amongst others, for: (a) the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company; and (b) the issuance and allotment of New Shares (Redeemable Preference Shares) of the Resulting Company to the eligible shareholders of the Demerged Company in consideration of the demerger ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modifications or reenactments thereof) ("**Act**"), the Securities and Exchange Board of India ("**SEBI**") Master Circular dated June 20, 2023 bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 and all amendments thereto ("**SEBI Circular**"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and such other applicable rules, regulations, guidelines and circulars issued by the respective regulatory authorities, subject to the approval / no-objections of the respective shareholders and creditors of the Demerged Company and the Resulting Company, the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") (NSE and BSE collectively referred

to as the "**Stock Exchanges**"), SEBI, the jurisdictional National Company Law Tribunal(s) ("**NCLT**") and such other regulatory authorities, as may be applicable ("**Proposed Arrangement**"). The Scheme is proposed to take effect from the 'Appointed Date' under the Scheme, with effect from the Effective Date (i.e., the date on which last of the approvals or events specified under Clause 23 of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with the Scheme) or such other date as may be mutually agreed between the Resulting Company and the Demerged Company and upon the proposed Scheme becoming effective).

2. Requirements under SEBI Circular and Listing Regulations

2.1 In terms of Clause 2(c) of Para A of Part I of the SEBI Circular read with Regulation 18(3) read with Part C of Schedule II of Listing Regulations, a report from the Audit Committee is required recommending the Draft Scheme, taking into consideration, amongst others, the valuation report, the report shall comment the need for the arrangement, rationale of the Scheme, synergies of business, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme. This report of the Committee is made in order to comply with the requirements of the SEBI Circular and Listing Regulations.

3. Documents placed before the Committee

3.1 The following documents were placed before the Committee:

(a) the draft Scheme involving the demerger of Demerged Undertaking of the Demerged Company into the Resulting Company;

(b) the valuation report dated November 03, 2026 issued by Finvox Analytics (IBBI Registration No. IBBI/RV-E/06/2020/, recommending the fair share exchange ratio ("**Valuation Report**");

(c) the fairness opinion dated November 03, 2026 of 3DIMENSION CAPITAL SERVICES LIMITED, a SEBI Registered (Category-1) Merchant Banker with registration number INM000012528;

(d) certificate issued by NSBP & Co. (Firm Registration No.: 001075N), the statutory auditor of DBSIL, pursuant to Part I(A)(5) of the SEBI Circular, certifying that the accounting treatment specified in the Scheme is in compliance with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the applicable accounting standards and other generally accepted accounting principles in India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circular;

4. **Salient features of the Scheme**

4.1 The Committee noted the salient features of the Scheme which, amongst others, are as follows:

(a) the draft Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act and provides, amongst others, for the demerger of the Demerged Undertaking (as defined in the Scheme) into the Resulting Company, without any further act or deed, and the consequent issuance and allotment of New Shares by the Resulting Company to the eligible shareholders of the Demerged Company in consideration of the demerger;

(b) issuance and allotment of Redeemable Preference Shares ("RPS" or "New Shares"), by the Resulting Company to the eligible shareholders of the Demerged Company whose names are recorded in the register of members or records of the depository as members of the Demerged Company on the Record Date (as defined in the Scheme) in the ratio of:

(i) 1,588 fully paid-up Redeemable Preference Shares ("RPS") having a face value of INR 10/- (Indian Rupees Ten Only) of the Resulting Company for every 10,000 fully paid-up Optionally Convertible Redeemable Preference Shares ("OCRPS") (Series A) having a face value of INR 10/- (Indian Rupees Ten Only) each of the Demerged Company and;

(ii) 01 fully paid-up Redeemable Preference Shares ("RPS") having a face value of INR 10/- (Indian Rupees Ten Only) of the Resulting Company for 34,44,50,000 fully paid-up Optionally Convertible Redeemable Preference Shares ("OCRPS") having a face value of INR 10/- (Indian Rupees Ten Only) each of the Demerged Company AND;

(iii) 01 fully paid-up Redeemable Preference Shares ("RPS") of INR 10/- (Indian Rupees Ten Only) of the Resulting Company for 70,00,000 fully paid-up equity share having a face value of INR 10/- (Indian Rupees Ten Only) each of the Demerged Company

hereinafter cumulatively referred to as "**Demerger Share Entitlement Ratio**"

(c) increase in the authorised share capital of the Resulting Company after the coming into effect of the Scheme to allow for the issuance of New Shares by the Resulting Company to the shareholders of the Demerged Company.

(d) all New Shares of the Resulting Company issued in terms of this Scheme and SEBI Circular or otherwise shall not be listed or admitted to trading on the Stock Exchanges pursuant to or in connection with this Scheme.

(e) the Appointed Date for the Scheme is opening business hours of 1st January, 2027

(f) The Resulting Company shall give effect to the demerger in its books of accounts and financial statements in accordance with Indian Accounting Standard 103, Business Combinations as prescribed under section 133 of the Act, as notified under the Companies (India Accounting Standards) Rules, 2015 as may be amended from time to time and other generally accepted accounting principle

(g) the draft Scheme is subject to various conditions precedent as specified in the Scheme, including:

(i) The requisite sanctions and approvals of all government, statutory, regulatory, judicial or other authority as may be necessary, and any consents, no-objection confirmations or approvals of the Stock Exchange, in respect of the Scheme being obtained;

(ii) Approval of the Scheme by the requisite majority of such classes of persons of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;

(iii) The Scheme shall be acted upon only if the votes cast by the public shareholders of the Resulting Company in favour of the proposal are more than the number of votes cast by the public shareholders of Resulting Company against it, as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

(iv) The Resulting Company complying with other provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting, as applicable;

(v) The sanctions and orders of the Tribunal for the Scheme, under Sections 230 to 232 being obtained by the Parties;

(vi) The requisite consent, approval or permission of the Appropriate Authority or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme;

(vii) Any other conditions as may be mutually agreed between the Parties in writing, prior or after the date of filing the Scheme with the Tribunal, as conditions precedent to the effectiveness of the Scheme; and

(viii) Certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed by the Demerged Company and the Resulting Company with the Registrar of Companies having jurisdiction over the Parties.

5. **Need for the arrangement and rationale of the Scheme**

The Committee noted the need and the rationale of the Scheme and that the proposed Scheme would be in the best interest of the Resulting Company and the Demerged Company and their respective stakeholders as the proposed Scheme will have the following advantages, amongst others, as set out below:

a) **Seamless Integration of the Tech Business**: The integration of the Tech solutions with the Resulting Company will enable closer alignment of technology capabilities exclusively with the Resulting Company's core operations.

b) **Cane area monitoring and Sustainability:** The integration of technology capabilities and solution is expected to facilitate better monitoring of cane area, optimization of processes and resources, enhanced productivity and greater operational profitability through yield improvement.

c) **Competitive Advantage through Early Adoption of Technology**: The proposed demerger will enable the Resulting Company to leverage technology, data-driven capabilities and innovative solutions to gain a competitive advantage through the early adoption and deployment of technology-led solutions which shall enhance operational efficiency and customer engagement, and strengthen its overall business performance.

d) Reduction in time required for development of in house solution which the Resulting Company would have developed independently.

e) **Opportunity to Tap Overseas Markets**: The proposed demerger will further enable the Resulting Company to leverage Demerged Undertaking experience to explore and tap opportunities in overseas markets in future.

6. **Synergies of business of the companies involved in the Scheme**

6.1 The technology solutions business would help the Resulting Company to fully integrate the tech business into its own business along with a dedicated and focussed management to monitor cane area and crop management basis a tested technology without relying on third parties in future.

6.2 The Committee noted that the Proposed Arrangement would be in the best interest of the Demerged Company and the Resulting Company and their respective stakeholders and upon the Scheme becoming effective, the benefits and synergies as mentioned in Paragraph 5 above shall derive.

7 Impact of the Scheme on shareholders

The Committee noted the impact of the proposed Scheme on the various stakeholders of the Demerged Company and the Resulting Company which, amongst others, is as follows:

7.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Redeemable Preference Shares("RPS" or "New Shares") of the Resulting Company will be issued and allotted to the eligible shareholders of the Demerged Company as on the Record Date (*as defined in the Scheme*), (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Resulting Company in consultation with the Demerged Company, based on the Demerger Share Entitlement Ratio (as mentioned in Paragraph 4.1 above);

7.2 The New Shares to be issued and allotted by Resulting Company in terms of the Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Resulting Company and applicable law.

7.3 All New Shares of the Resulting Company issued in terms of this Scheme and SEBI Circular or otherwise shall not be listed or admitted to trading on the Stock Exchanges pursuant to or in connection with this Scheme

7.4 Further, the rights and interests of the shareholders of the Resulting Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Resulting Company, before and after the Scheme. The existing equity shareholders of the Resulting Company will continue to be the shareholders of the Resulting Company in the same proportion pre and post the proposed demerger.

In the opinion of the Committee of the Resulting Company, the Scheme will be advantageous and beneficial to the Resulting Company, its shareholders,

creditors and other stakeholders for the reasons set out in the rationale of the Scheme and the terms thereof are fair and reasonable.

8 Cost benefit analysis

The Committee is of the view that although the Scheme involves certain costs including transaction costs, taxes, fees and duties etc., the Scheme would also entail the benefits set out in Paragraph 5 above and these benefits significantly outweigh the costs.

9 Recommendation of the Committee

The Committee recommends the Scheme, which provides for the demerger of the Demerged Undertaking into the Resulting Company and the consequent issuance of New Shares by the Resulting Company to the eligible shareholders of the Demerged Company in consideration of the demerger after taking into consideration the Valuation Report and the Fairness Opinion, to the Board of the Resulting Company, the shareholders and creditors of the Resulting Company (as may be applicable) for its approval and for favourable consideration by the Stock Exchanges, SEBI and other regulatory authorities, as may be required.

The Committee is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For Audit Committee of
Dalmia Bharat Sugar and Industries Limited

Neeraj Chandra
Member
DIN 00444694

Date: November 03, 2026
Place: New Delhi