REPORT OF THE INDEPENDENT DIRECTORS 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 Independent Directors of Dalmia Bharat Sugar and Industries Limited ("**Resulting Company**") ("**ID Committee**") were present at their meeting held on Tuesday, November 03, 2026:

1. Shri Neeraj Chandra - Chairperson
2. Smt. Amita Misra
3. Shri Rajeev Bakshi

1. **Background**

1.1. A meeting of the ID Committee was held on Tuesday, 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 the Clause 2(i) of Para A of Part I SEBI Circular, a report from the Independent Directors is required recommending the Scheme, taking into consideration, *inter alia*, that the Scheme is not detrimental to the shareholders of the listed entity (i.e., the Resulting Company). This report of the Independent Directors is made in order to comply with the requirements of the SEBI Circular.

3. **Documents placed before the Independent Directors meeting**

3.1 The following documents were placed before the Independent Directors meeting:

(a) the 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/06/2020/120), being the registered valuer, 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 Independent Directors noted the salient features of the Scheme which, amongst others, are as follows:

(a) the 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 / 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 during the pendency 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 the 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 Independent Directors noted the need and the rationale of the Scheme and that the proposed Scheme would be in the best interest of the Demerged Company and the Resulting Company and their respective stakeholders as the Proposed Arrangement 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, optimisation 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 the existing experience to explore and tap opportunities in overseas markets in future.

6. **Scheme not detrimental to the shareholders of the Resulting Company**

6.1 The Independent Directors discussed and deliberated upon the salient features, rationale and expected benefits of the Scheme, the Valuation Report, the Fairness Opinion and other documents presented before them. The Independent Directors noted that the shareholders of the Demerged Company will be issued and allotted New Shares by the Resulting Company in accordance with the Demerger Share Entitlement Ratio as consideration for the demerger of the Demerged Undertaking. The Independent Directors recommend to the Board of the Resulting Company that the Demerger Share Entitlement Ratio is fair to the shareholders of the Resulting Company. Further, considering consideration being discharged in the form of Redeemable Preference Shares ("RPS" or "New Shares") of the Resulting Company at fair value, there is no change in equity shareholding of the Resulting Company pre & post the proposed demerger

6.2 The Independent Directors are of the view that the Scheme will facilitate creation of value for the shareholders of the Company since the benefits as mentioned in the rationale above shall derive upon the Scheme becoming effective.

6.3 Further, the Independent Directors are of the view that while the Scheme involves certain costs including transaction costs, taxes, fees and duties etc., the Scheme would entail the benefits set out in Paragraph 5 above and these benefits significantly outweigh the costs.

6.4 In light of the aforementioned rationale of the Scheme and other related matters, the Independent Directors are of the informed opinion that the draft Scheme is not detrimental to the interests of the shareholders and other stakeholders.

7. Recommendation of the Committee

7.1 In light of the above, the Independent Directors recommend the Scheme, amongst others, taking into consideration the impact of Scheme on the shareholders and other stakeholders and the documents presented before the Independent Directors, to the Board of the Resulting Company, the Stock Exchanges and SEBI, for their consideration and approval.

7.2 This report of the Independent Directors is made in order to comply with the requirement of the SEBI Circular after considering the necessary documents.

7.3 The Independent Directors are 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 Independent Directors of
Dalmia Bharat Sugar and Industries Limited

Neeraj Chandra
Member
DIN 00444694

Date: November 03, 2026
Place: New Delhi