

December 18, 2025

Bombay Stock Exchange Limited
New Trading Ring,
Rotunda Building, P J Towers, Dalal
Street, Fort Mumbai-400001
Scrip Code: 500097

National Stock Exchange of India Limited
“Exchange Plaza”, Plot No. C-1, Block G
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: DALMIASUG

Sub: Apportionment of cost of acquisition of Equity Shares of Dalmia Bharat Sugar and Industries Limited and Dalmia Bharat Refractories Limited.

Dear Sir(s),

This is further to our letter dated October 18, 2025 intimating fixation of Friday, October 31, 2025, as the Record Date for determining the eligible shareholders of the Company entitled to receive the equity shares of Dalmia Bharat Refractories Limited (DBRL) pursuant to the Scheme of Arrangement between the Company and DBRL and their respective shareholders having become effective on October 09, 2025, from the Appointed Date, i.e., July 01, 2023.

Please find enclosed communication for the attention of the shareholders of the Company for apportionment of cost of acquisition of equity shares of the Company and DBRL pursuant to the demerger as per the Scheme of Arrangement.

Kindly note that this communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer/appropriate appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance. You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For **Dalmia Bharat Sugar and Industries Limited**

Rachna Gorla
Company Secretary
FCS 6741

FOR KIND ATTENTION OF SHAREOLDERS OF
DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

The Hon'ble National Company Law Tribunal, Chennai Bench, vide its order dated September 12, 2025, sanctioned the Scheme of Arrangement between Dalmia Bharat Sugar And Industries Limited ("**Company/Demerged Company**") and Dalmia Bharat Refractories Limited ("**DBRL/Resulting Company**") and their respective shareholders ("**Scheme**") providing, *inter alia*, for demerger, transfer and vesting of the Dalmia Magnesite Corporation and Govan Travels (Demerged Undertakings as defined in the Scheme) from the Company into DBRL on a going concern basis and issue of equity shares by DBRL to the shareholders of the Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.

In accordance with provisions of the Scheme, DBRL shall issue and allot 1 fully paid-up equity share of DBRL having face value of Rs 10 (Rupees Ten) each for every 48.18 fully paid- up equity share of Rs 2 (Rupees Two) each of the Company to the shareholders of the Company whose name appear in the register of members / register of beneficial owners as maintained by the registrar and transfer agent and/or depositories, as the case may be, as on the Record Date (i.e., Friday, October 31, 2025).

As per the provisions for Section 49(2C) of the Income Tax Act, 1961, the cost of acquisition of the shares in the Resulting Company shall be the amount which bears to the cost of acquisition of shares held by shareholder in the Demerged Company the same proportion as the net book value of the assets transferred in a demerger bears to the net worth of the Demerged Company immediately before such demerger i.e., June 30, 2023. Further, as per the provisions of Section 49(2D) of the Act the cost of acquisition of the original shares held by the shareholder in the Demerged Company shall be deemed to have been reduced by the amount as so arrived at under Section 49(2C).

For the purposes of determining the post demerger cost of acquisition of equity shares of the Demerged Company and Resulting Company, you are advised to apportion your pre-demerger cost of acquisition of equity shares in the Company in the following manner:

Sr No.	Name of Company	% of Cost of Acquisition of Equity Shares of the Company
1	Dalmia Bharat Sugar and Industries Limited (Demerged Company)	94.55%
2	Dalmia Bharat Refractories Limited (Resulting Company)	5.45%

For example, if 1000 ordinary shares of the Company were purchased at INR 300/- per share by a shareholder, the total cost of acquisition would amount to INR 3,00,000/- before the Demerger. Based on the Share Exchange Ratio, 20.76 shares of DBRL would be allotted to the said shareholder. Cost of acquisition of DBRL shares will be determined as under:

Particulars	Demerged Company	Resulting Company
Shareholding after Demerger (No.)	1000 of Rs. 2/- each	20.76 of Rs. 10/- each
Cost apportionment	300000*94.55%	300000*5.45%
Cost of acquisition (Rs.)	283650	16350

This information should be preserved carefully, as it will be relevant for calculating taxable Capital Gains under the Income Tax Act on any transfer of shares in future.

This communication is for the benefit of the shareholders and the Company takes no express or implied liability in relation to this guidance.