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50 GLORIOUS YEARS

REPORT OF THE AUDIT COMMITTEE OF DOLLAR INDUSTRIES LIMITED ("COMPANY" OR "TRANSFEREE COMPANY") RECOMMENDING THE COMPOSITE SCHEME OF ARRANGEMENT AMONGST THE COMPANIES VIZ; DINDAYAL TEXPRO PRIVATE LIMITED ("DTPL") ("DEMERGED COMPANY"), ADDS PROJECTS PRIVATE LIMITED ("APPL") ("TRANSFEROR COMPANY 1"), AMICABLE PROPERTIES PRIVATE LIMITED ("AMPPL") ("TRANSFEROR COMPANY 2"), BHAWANI YARNS PRIVATE LIMITED ("BYPL") ("TRANSFEROR COMPANY 3"), DOLLAR BRANDS PRIVATE LIMITED ("DBPL") ("TRANSFEROR COMPANY 4"), GOLDMAN TRADING PVT. LTD. ("GTPL") ("TRANSFEROR COMPANY 5"), KPS DISTRIBUTORS PRIVATE LIMITED ("KDPL") ("TRANSFEROR COMPANY 6"), PHPL PROPERTIES PRIVATE LIMITED ("PPPL") ("TRANSFEROR COMPANY 7") & ZEST MERCHANTS PRIVATE LIMITED ("ZMPL") ("TRANSFEROR COMPANY 8") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This report is considered and approved by the Audit Committee of the Company at the meeting held on September 26, 2025 at the Registered Office of the Company at 32 J.L. Nehru Road, Om Tower, 15th Floor, Kolkata – 700071 where the following Audit Committee members were present:

Members present:

Ms. Divyaa Newatia, Chairperson & Member

Mr. Vinod Kumar Gupta, Member

Ms. Vibha Agarwal, Member

Leave of Absence: All the Members were present

Ms. Divyaa Newatia, Chairperson of the Audit Committee took the Chair.

1. Background

1.1. The proposed composite scheme of arrangement of , Dindayal Texpro Private Limited ("DTPL") ("Demerged Company"), ADDS Projects Private Limited ("APPL") ("Transferor Company 1"), Amicable Properties Private Limited ("AMPPL") ("Transferor Company 2"), Bhawani Yarns Private Limited ("BYPL") ("Transferor Company 3"), Dollar Brands Private Limited ("DBPL") ("Transferor Company 4"), Goldman Trading Pvt. Ltd. ("GTPL") ("Transferor Company 5"), KPS Distributors Private Limited ("KDPL") ("Transferor Company 6"), PHPL Properties Private Limited ("PPPL") ("Transferor Company 7") & Zest Merchants Private Limited ("ZMPL") ("Transferor Company 8") and their respective shareholders and creditors ("Scheme") with Dollar Industries Ltd.(DIL) ("Transferee Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and the relevant provisions of the Securities and Exchange Board of India ("SEBI') Master

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CIN NO. : L17299WB1993PLC058969

Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular") and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, has been placed before the Independent Directors of the Company at their meeting held on September 26, 2025 for the Independent Directors of the Company to consider and approve the said Scheme.

1.2. As per the SEBI Circular, the Audit Committee is required to adopt a report recommending the Scheme, taking into consideration inter alia, the valuation report, and commenting on the need for the Scheme, rationale for the Scheme, cost benefit analysis of the Scheme, impact of the scheme on the shareholders and synergies of business of the entities involved in the Scheme.

1.3. The Audit Committee has considered, reviewed and discussed the following in this respect:

(a) the draft Scheme which is duly initialled by Company Secretary of the Company for the purpose of identification;

(b) valuation report dated September 26, 2025 issued by KPMG Valuation Services LLP, an independent and registered valuer, in respect of the share exchange ratios set out under the Scheme:

(c) fairness opinion dated September 26, 2025 issued by M/s. V.C. Corporate Advisors Private Limited, an independent and SEBI registered Category I merchant banker, providing opinion on the fairness of the share exchange ratios proposed in the valuation report;

(d) draft certificate from the statutory auditor of the Company viz, M/s. Singhi & Co.

2. Proposed Scheme

The Audit Committee has reviewed the draft Scheme and noted it's salient features inter alia as set out below:

(a) amalgamation of (i) firstly, all Transferor Companies with and into the Transferee Company on their respective effective dates (as set out in the Scheme) and in accordance with Section 2(1B) of the Income-tax Act, 2025;

(b) the Appointed Date of the Scheme is April 1, 2025:

(c) upon the Scheme coming into effect and with effect from the Appointed Date, all the Transferor Companies together with all present and future assets and liabilities, shall stand transferred to and vest in the Transferee Company, as a going concern, and the Transferee Company will issue 33,48,681 fully

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paid up equity share(s) of Rs. 2/- (Rupees Two) each of the Transferee Company to the equity shareholders of the Transferor Companies as on the record date :

(d) upon the Scheme coming into effect and with effect from the Appointed Date, all the Transferor Companies together with all present and future assets and liabilities (save and except as provided Scheme (defined below)), shall stand transferred to and vest in the Transferee Company, as a going concern, and the Transferee Company will issue fully paid-up equity shares of the face value of Rs. 2/- per share in the following manner to the Equity shareholders of the transferor Companies:

(e) upon the Scheme becoming effective, each of Transferor Companies shall stand dissolved without being wound-up;

(f) upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of Transferor Companies with the Transferee Company in its books of accounts as per the "Acquisition Method' in accordance with accounting principles as laid down in the Indian Accounting Standard 103 (Business Combinations), notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

3. Need and rationale for the Scheme

3.1. The Audit Committee noted and agreed with the need and rationale of the Scheme which is set out below:

Rationale of the Scheme (Demerger)

The Scheme proposes for the demerger of the Hosiery Business Undertaking ("Demerged Undertaking") of Dindayal Texpro Private Limited ("Demerged Company") and vesting of the same with Dollar Industries Limited ("Resulting Company") and it will marks a strategic step toward vertical integration to enhance in-house production capabilities.

(i) This operational association is designed to reduce reliance on external job work, thereby providing Dollar Industries with greater control over its manufacturing processes. Key benefits of this integration include improved quality consistency, streamlined production, and enhanced responsiveness to market demands, the core objective is to consolidate production under a single corporate entity. This will empower Dollar Industries Limited to manage its operations more efficiently and reinforce its market position through a fully integrated supply chain.

(ii) The proposed arrangement will create greater value for shareholders and enable a more focused operational strategy. This will benefit the Demerged Company and the Resulting Company, as well as their respective shareholders, employees, creditors, and all other stakeholders. Ultimately, it will help both entities achieve their objectives more efficiently and economically.

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(iii) The demerger will pave way for Dollar Industries to concentrate on its core competencies by streamlining the production process, the company will be better positioned to enhance efficiency, foster innovation within its current product lines, and leverage economies of scale. These strategic advantages will further strengthen its competitive position in the market.

Rationale of the Scheme (Merger)

The Scheme also proposes the merger of ADDS Projects Private Limited ("Transferor Company 1"), Amicable Properties Private Limited ("Transferor Company 2"), Bhawani Yarns Private Limited ("Transferor Company 3"), Dollar Brands Private Limited ("Transferor Company 4"), Goldman Trading Pvt. Ltd. ("Transferor Company 5"), KPS Distributors Private Limited ("Transferor Company 6"), PHPL Properties Private Limited ("Transferor Company 7") and Zest Merchants Private Limited ("Transferor Company 8") (collectively "Transferor Companies")with Dollar Industries Limited ("Transferee Company").

(i) The Transferor Companies, all part of the promoter group of the Transferee Company, are set to merge under a single entity. This strategic move is designed to unify group operations, strengthen brand identity, sharpen business focus, and align long-term objectives.

(ii) This merger will consolidate the "Dollar" brand, currently held Dollar Brands Private Limited (one of Transferor Company), into the listed entity (the Transferee Company). This strategic move will centralize brand ownership, thereby significantly enhancing transparency and instilling greater confidence among shareholders, investors, customers, and other stakeholders.

(iii) One of the transferor Company M/s. Bhawani Yarns Private Limited performs job work for Dollar Industries Limited, this merger will reduce reliance on external job work, thereby providing Dollar Industries with greater control over its manufacturing processes.

(iv) The proposed amalgamation of the other aforesaid Transferor Companies with the Transferee Company will facilitate the consolidation of business operations, thereby ensuring that the financial statements accurately reflect the true net worth of the combined entity.

(v) The proposed merger is expected to improve profitability margins and operating cash flows, leading to an overall increase in earnings.

(vi) By virtue of this merger, Dollar Industries will acquire all the businesses of the transferor Companies it currently uses. This consolidation is expected to reduce costs and provide greater control over its operations.

(vii) The proposed merger will combine value of all the transferor companies which would become greater than the sum of their individual values creating a synergy benefits for the companies.

(viii) The **remaining transferor Companies** are primarily engaged in the business of holding commercial spaces and letting them on rent to Dollar Industries Limited and its affiliates. The proposed amalgamation is expected to reduce inter-company and related-party transactions, which will subsequently decrease the volume and value of arm's-length-priced transactions and strengthen compliance.

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(ix) The proposed amalgamation is expected to streamline administrative functions by eliminating the need to maintain multiple records. This will lead to improved legal and regulatory compliance.

4. Synergies of business of the entities involved in the Scheme

4.1. As detailed above regarding the need and rationale for the Scheme, it is observed that the companies are engaged in similar and / or complementary businesses and the proposed amalgamation pursuant to the Scheme will create synergies between their businesses, including by pooling of their financial, managerial, technical, distribution, marketing and other resources. The proposed amalgamation is expected to, inter alia, result in reduction of costs, better alignment, coordination and streamlining of day-to-day operations.

(b) Optimization of resources: The Transferee Company stands as a leading force in the branded outerwear and innerwear segment, having established a strong presence and reputation in the Indian hosiery market. Over the years, we have evolved into a noteworthy player through continuous innovation, product diversification, and a sharp focus on quality and customer satisfaction. The Company has strategically introduced a wide range of categories under the Dollar brand portfolio, including Dollar Man, Dollar Woman, Dollar Junior, Dollar Always Thermal, and Dollar Protect. These categories are thoughtfully designed to meet the diverse needs of the consumers across all age groups and lifestyle preferences.

Dindayal Texpro Private Limited

The Company is primarily engaged to perform job work for Dollar Industries Ltd and also independently manufactures garments such as Leggings and Kurtis. These products are made either using fabric supplied by Dollar or fabric sourced independently by Dindayal Texpro.

Dollar Brands Private Limited

The Company holds the brand "Dollar." and is primarily engaged in doing the business of branding of trademark and any other business in connection thereof.

Adds Projects Private Limited

The Company is primary engaged in renting out commercial real estate spaces held in its name. Its business model involves acquiring or developing commercial properties and then leasing them to other businesses including Dollar Industries Limited and its affiliates on a rental basis.

Amicable Properties Private Limited

The Company is primary engaged in renting out commercial real estate spaces held in its name. Its business model involves acquiring or developing commercial properties and then leasing them to other businesses including Dollar Industries Limited and its affiliates on a rental basis.

Bhawani Yarns Private Limited

The Company is primarily engaged to perform job work for Dollar Industries Ltd and also independently manufactures garments such as Leggings and Kurtis. These products are made either using fabric supplied by Dollar or fabric sourced independently by Bhawani Yarns.

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Goldman Trading Private Limited

The Company is primary engaged in renting out commercial real estate spaces held in its name. Its business model involves acquiring or developing commercial properties and then leasing them to other businesses including Dollar Industries Limited and its affiliates on a rental basis.

KPS Distributors Private Limited

The Company is primary engaged in renting out commercial real estate spaces held in its name. Its business model involves acquiring or developing commercial properties and then leasing them to other businesses including Dollar Industries Limited and its affiliates on a rental basis.

PHPL Properties Private Limited

The Company is primary engaged in renting out commercial real estate spaces held in its name. Its business model involves acquiring or developing commercial properties and then leasing them to other businesses including Dollar Industries Limited and its affiliates on a rental basis.

Zest Merchants Private Limited

The Company is primary engaged in renting out commercial real estate spaces held in its name. Its business model involves acquiring or developing commercial properties and then leasing them to other businesses including Dollar Industries Limited and its affiliates on a rental basis.

5. Impact of the Scheme on shareholders

5.1. | Upon the Scheme becoming effective:

The Shareholders of Transferor Companies would receive equity shares of Transferee Company in the following manner

6. Cost Benefit analysis of the Scheme

6.1. The Audit Committee noted that the Scheme will provide an opportunity to improve the economic value for the shareholders. This is particularly marked in the improved synergies that will arise pursuant to the Scheme. The proposed amalgamation will result in deriving benefits for future capacity expansion and funding of capital expenditure, given the strong credit rating of the Transferee Company. The Audit Committee further noted that while the Scheme would lead to incurring of some costs towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company.

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The Recommendation of the Audit Committee

7.1. The Audit Committee, having considered and noted inter alia, the aforesaid valuation report and fairness opinion, recommends the Scheme to the Board of Directors of the Company.

For and on behalf of the Audit Committee of
Dollar Industries Limited

Divyaa Newatia

Divyaa Newatia
Chairperson of Audit Committee

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Date: September 26, 2025

Place: Kolkata