REGISTERED OFFICE
H. NO. 30, 2ND FLOOR, DAV SCHOOL KEI PASS
TALWANDI, KOTA (RAJ.) 324005
PHONE : 0744-3500607

REPORT OF THE AUDIT COMMITTEE OF CHAMBAL BREWERIES AND DISTILLERIES LIMITED RECOMMENDING THE SCHEME OF AMALGAMATION AMONGST CHAMBAL BREWERIES AND DISTILLERIES LIMITED AND INVADE AGRO LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ADOPTED AT ITS MEETING HELD ON TUESDAY, JULY 07, 2026.

Members Present

- **Mr. Jay Kumar Shaw: Independent Director, Chairman**
- **Mrs. Neha Shukla: Independent director, Member**
- **Mr. Gaurav Sharma: Independent Director, Member**

1. Background

1.1 A meeting of the Audit Committee of Chambal Breweries and Distilleries Limited ("Company") was held on July 07, 2026 to consider the draft Scheme of Amalgamation proposed between Chambal Breweries and Distilleries Limited ("Company" or "Chambal" or "Transferor Company") and Invade Agro Limited ("Invade" or "Transferee Company") and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) and rules made thereunder ("Act') and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") issued by Securities and Exchange Board of India ("SEBI") including Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 on Scheme of Arrangement issued by SEBI dated June 20, 2023 and any other law for the time being in force and such other applicable rules, regulations, guidelines and circulars issued by any regulatory authorities from time to time.

1.2 The Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the company are listed on BSE Limited ("BSE") ("BSE referred as the "Stock Exchange").

1.3 The Scheme involves (a) Amalgamation of the Company with Invade; and (b) Various other matters Incidental, consequential or otherwise integrally connected herewith. Upon the Scheme becoming effective, the Company shall stand dissolved without winding up.

1.4 The Scheme will be submitted with the National Company Law Tribunal, Jaipur Bench and National Company Law Tribunal, Mumbai Bench ("NCLT") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if applicable.

1.5 This Report of the Audit Committee is being made to comply with the requirements laid under SEBI Circular.

2. Documents reviewed

The following documents were placed before the meeting of the Audit Committee of the Company held on July 07, 2026, which were considered and taken on record by the members of Audit Committee while deliberating on the Scheme:

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a.) Draft of the Proposed Scheme;
b.) Report on Share Entitlement Ratio issued by Mr. Manish Gadia, Registered Valuer having IBBI Registration No. IBBI/RV/06/2019/11646 recommending the share exchange ratio ("Valuation Report");
c.) Fairness Opinion Report dated July 07, 2026, issued by M/s Gretex Corporate Services Limited, a SEBI-registered Category-I Merchant Banker (SEBI Registration No. INM000012177), opining on the fairness of the Share Entitlement Ratio.
d.) Auditor's Certificate dated July 07, 2026, issued by Lokesh Maheshwari & Associates (Firm Registration No. 020076C), the Statutory Auditors of the Company, certifying that the accounting treatment prescribed in the draft Scheme is in conformity with the applicable accounting standards specified under Section 133 of the Companies Act, 2013.
e.) Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (A)(5) of Part I of SEBI Master Circular. SEBI/HO/CFD/POD-2/P/CIR/2023/93
f.) Report of the Committee of the Independent Directors of the Company dated July 07, 2026 recommending the draft of the Scheme for consideration and approval of the Board;

3. Need for the Amalgamation

The proposed amalgamation is intended to consolidate the businesses of the companies into a single entity for better operational efficiency and streamlined management. The merger will help in reducing administrative and compliance costs, avoiding duplication of activities, and ensuring optimal utilisation of resources. It is also expected to strengthen the financial position of the combined entity and improve overall business performance. The amalgamation is considered to be in the best interest of the Company and its stakeholders.

4. Rationale of the Scheme:

The Transferee Company presently holds 22.93% of the paid-up equity share capital and voting rights of the Transferor Company. The Transferor Company does not, directly or indirectly or through its nominees, hold any share capital or other ownership interest in the Transferee Company.

Further, the management of the Transferor Company and the Transferee Company are substantially common.

Further, the Scheme is expected to provide the following benefits:

a) The Amalgamation would result in financial resources being efficiently pooled, leading to centralized and more efficient management of funds, greater economies of scale and a bigger and stronger resource base for future growth, which are presently divided amongst two separate corporate entities;

b) Pooling of proprietary information, personnel, financial, managerial and other resources, thereby contributing to the future growth of the merged entity;

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c) Simplicity in working, reducing various statutory and regulatory compliances and related costs, which presently have to be duplicated, reduction in operational and administrative expenses and overheads, better cost and operational efficiencies and it would also result in coordinated optimum utilization of resources; and

d) This Scheme shall be in the beneficial interest of all the stakeholders including the shareholders of the Transferor company.

In these circumstances, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme or with such modifications as the NCLT may deems fit.

5. Cost benefit analysis of the scheme

The Scheme is expected to provide the long-term benefits such as integration of business activities, economies of scale, operational efficiency, optimum utilisation of resources, unlocking growth opportunities, effective management of investments, simplification of group structure thus reducing redundancies, etc. which cannot be quantified. While the Scheme would lead to incurring some costs towards its implementation, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company.

6. Synergies of business of the entities involved in the scheme:

The Audit Committee noted the synergies of business of the entities Involved in the Scheme, which inter alia, are as under from the above rational:

- Efficient pooling and centralized management of financial, managerial, and operational resources.
- Improved economies of scale, cost optimization, and reduction in administrative, statutory, and regulatory compliance costs.
- Enhanced operational efficiencies through the integration of personnel, expertise, and proprietary resources.
- Simplified corporate structure leading to better governance, streamlined decision-making, and optimum utilization of resources.
- Creation of a stronger and financially robust combined entity, thereby enhancing long-term value for all stakeholders, including shareholders.

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7. Impact of the scheme on each class of shareholders:

The proposed Scheme is expected to have a positive long-term impact on the shareholders of the Company.

Upon the Scheme becoming effective and subject to the provisions thereof, the transferee Company shall, without any further application, act, instrument, or deed, issue and allot new equity shares to the shareholders of the Transferor Company whose names appear in the Register of Members of the Transferor Company as on the Record Date, in accordance with the terms of the Scheme.

8. Recommendation of the Audit Committee

The Audit Committee, after taking into consideration the Scheme together with Valuation Report, Fairness Opinion Report and other documents referred under Paragraph 2 above, found the proposed Share Entitlement Ratio to be fair & reasonable and recommends the Scheme for favorable consideration by the Board of Directors of the Company, the Stock Exchanges and SEBI.

The Scheme placed before the meeting is not detrimental to the shareholders of the Company.

For and on behalf of the Audit Committee of
Chambal Breweries and Distilleries Limited

CHAMBAL BREWERIES & DISTILLERIES LIMITED

Mr. Jay Kumar Shaw
(Chairman)
DIN: 09627535

Date: 07.07.2026
Place: Kota