

REPORT ADOPTED AND RECOMMENDED BY THE COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") OF VILIN BIO MED LIMITED ("COMPANY" OR "TRANSFEREE COMPANY") AT ITS MEETING HELD ON FEBRAURY 16, 2026, ON THE DRAFT SCHEME OF AMALGAMATION AMONGST THE COMPANY, CHEMGENIX LABORATORIES PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

This report is considered and approved by the Independent Directors of the Company at the meeting held on February 16,2026 at Plot No. 43, H. No. 8-2-269/S/43, 2nd floor Sagar Co-op Housing Society Ltd, Road No.2, Banjara Hills, Khairatabad, Banjara Hills, Banjara Hills, Hyderabad, Khairatabad, Telangana, India, 500034., India.

The Committee unanimously elected Mr. Sasikanth Paritala as the Chairperson of the meeting. Thereafter, Mr. Sasikanth Paritala took the chair and presided over the meeting.

1. BACKGROUND

1.1 The proposed scheme of amalgamation provides for a merger by absorption involving the Company ("Transferee Company") and Chemgenix Laboratories Private Limited ("Transferor Company") and their respective shareholders and creditors ("Scheme"), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Section 230 to Section 232 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the rules and/or regulations made thereunder (including any statutory modification(s) or re-enactment(s) or other amendment(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws including the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (as amended from time to time) ("SEBI Scheme Circular") or any other circulars issued by the Securities and Exchange Board of India ("SEBI") applicable to schemes of arrangement from time to time. The Scheme was presented to the Committee at its meeting held on February 16,2026, for its consideration and making recommendation to the Board of Directors of the Company.

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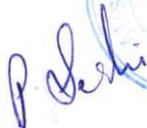
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- 1.2 In terms of Para A(2)(i), Part II of the SEBI Scheme Circular, the Independent Directors of the Company are required to adopt a report recommending the Scheme, taking into consideration, inter alia, that the Scheme is not detrimental to the interests of the shareholders of the Company. Accordingly, this report is prepared to comply with the aforesaid requirements.
- 1.3 While deliberating on the Scheme, the Committee, inter alia, considered and took on record the following documents:
- a. Draft Scheme, duly initialled by Company Secretary of the Company for the purpose of identification;
 - b. Independent valuation report dated February 16, 2026 ("Valuation Report") issued by Swapna Priya Vootla, Registered Valuer (IBBI Registration Number: IBBI/RV/06/2023/15380), recommending the share exchange ratio set forth in the Scheme;
 - c. Fairness Opinion dated February 16, 2026 ("Fairness Opinion") issued by IDBI Capital Markets & Securities Ltd, an independent SEBI registered Category-I Merchant Banker (SEBI Registration Number: INM000010866), providing fairness opinion on the share exchange ratio proposed in the Valuation Report; and
 - d. Auditors Certificate dated February 16, 2026 ("Auditor Certificate") issued by M/s PPKG & Co, the statutory auditors of the Company (Firm Registration Number: 00096555) in terms of Para (A)(5) of Part I of the SEBI Scheme Circular and proviso to sub-clause (j) of Section 232(3) of the Act certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act; and
 - e. Other presentations, documents and information made to/furnished before the Committee, at various board meetings of the Company, pertaining to the draft Scheme.



2. NEED AND RATIONALE FOR THE SCHEME

- 2.1 The Transferee Company is engaged in the business of, *inter alia*, providing a diverse range of pharmaceutical products such as Oral Liquids, Dry Syrups, Sachets, External Preparations, Beta and Non-Beta Lactam Tablets and Capsules, and Nutritional Food Supplements.
- 2.2 The Transferor Company is engaged in the business of providing pharmaceuticals specializing in the research, development, and manufacturing of high-quality oncology Active Pharmaceutical Ingredients (APIs) and specialty chemicals
- 2.3 The amalgamation will consolidate the businesses of the Transferor Company and the Transferee Company, leading to focused growth, operational efficiencies, and business synergies. Additionally, the resulting corporate holding structure will bring enhanced brand recall across the healthcare sector.
- 2.4 The Parties believe that the Amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:
- (i) Scale and financial resilience
- a. Merged entity is expected with strong financial, operational and return metrics.
- b. The proposed merger is expected to be accretive in terms of earnings per share and earnings before interest, tax, depreciation and amortisation margin for Transferee Company's shareholders.
- (ii) Diversification and potential for growth
- a. The merged entity will have diversified presence across more number of states and cities in India.
- b. Limited micro-market overlap between the Transferee Company and Transferor Company will have limited impact due to cannibalization.

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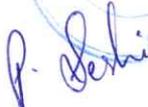
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- c. The merged entity will have significant opportunities for both brownfield and greenfield expansion.
 - d. Streamlining processes, functions and resources to drive better innovation and excellence.
- (iii) Synergies: The proposed amalgamation will result in multiple synergy benefits that can help accelerate growth and improve margins, as set forth below, thus creating value for the respective stakeholders of the Transferee Company and Transferor Company:
- a. Revenue synergies: Strengthened initiatives with integrated operations, etc.
 - b. Supply chain: Rationalization of spends on procurement of drugs, consumables through centralization, better negotiating capabilities, etc.
 - c. Lower cost overheads: Optimization of various corporate functions and leveraging best practices, technology and channel mix optimization to allow a more coordinated approach towards governance for the businesses.

3. Salient Features of the Scheme

The Scheme, amongst others, contemplates the following arrangements (capitalised terms used and not defined herein shall have the meaning described to them in the Scheme):

- a. Amalgamation by way of merger by absorption of the Transferor Company into and with the Transferee Company in accordance with Section 2(1B) of the IT Act and Sections 230 to 232 of the Act and other applicable laws;
- b. Pursuant to the sanction of the Scheme by the NCLT and upon fulfilment of conditions for the Scheme, the Scheme shall become effective from the Effective Date. The "Appointed Date" for the Scheme shall be the 01-07-2025 or such other date that is mutually agreed in writing between the Transferor Company and the Transferee Company;
- c. With effect from the Appointed Date and upon the Scheme becoming effective, the Transferor Company shall stand amalgamated into the Transferee Company and the entire Undertaking of the Transferor Company shall stand transferred to and vested



in and/or be deemed to have been and stand transferred to and vested in the Transferee Company to become the Undertaking of the Transferee Company, in the manner provided for in the Scheme, in accordance with Sections 230 to 232 of the Act, and other applicable laws;

- d. Upon the Scheme coming into effect on the Effective Date, the entire authorized share capital of the Transferor Company, INR 20,00,00,000/- (Indian Rupees Twenty Crores only) divided into 2,00,00,000 equity shares of the face value of INR 10/- (Indian Rupees Ten) each, shall be clubbed with the authorized share capital of the Transferee Company without any further act, deed or instrument;
- e. Upon the Scheme coming into effect on the Effective Date and in consideration of the Amalgamation, the Transferee Company shall, without any further act, instrument or deed, issue and allot the Consideration Shares (as defined in the Scheme) to all Eligible Shareholders (as defined in the Scheme), at the Share Exchange Ratio (as defined in the Scheme) on the basis of the Valuation Report and Fairness Opinion. The Consideration Shares shall be listed on the Stock Exchanges;
- f. The Transferor Company shall stand dissolved without being wound up; and
- g. This Scheme shall become effective and conditional upon :
 - i. the receipt of observation / no-objection letter by the Transferee Company from the Stock Exchange in accordance with the Listing Regulations and the SEBI Circular in respect of the Scheme;
 - ii. Approval of the members:
 - (a) the requisite majorities in number and value of such classes of members as may be directed by the Tribunal or any other competent authority, as may be applicable, approving the Scheme;
 - (b) the votes cast by the public shareholders of the Transferee Company in favour of the Scheme being more than the number of votes cast by the public shareholders of the Transferee Company against the Scheme; and in each case, in compliance with the provisions of the Act, the SEBI Circular and the Listing Regulations that require seeking approval of a Party through e-voting, in terms of paragraphs of Part I(A)(10)(a) and

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I(A)(10)(b) of the SEBI Master Circular (including any modification or revisions thereof) if applicable;

- iii. the requisite majorities in number and value of such classes of secured and unsecured creditors as may be directed by the Tribunal or any other competent authority, as may be applicable, approving the Scheme;
- iv. the Scheme being sanctioned by the Tribunal under Sections 230 to 232 and any other applicable provisions of the Act, and receipt of the certified copies of the order of the Tribunal sanctioning the Scheme;
- v. each of the Parties having filed the certified copies of the order of the Tribunal sanctioning the Scheme with the ROC within the statutory timelines;
- vi. there not being any governmental order from any Governmental Authority (other than a competition and/or anti-trust authority) that has the effect of making the Amalgamation illegal or otherwise restraining or preventing its consummation; and
- vii. Compliance with such other conditions as may be imposed by NCLT; and
- viii. The requisite consent, approval or permission of the Central Government or any Governmental Authorities including Stock Exchanges, Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.
- ix. The Designated Stock Exchange for interaction with SEBI shall be NSE Limited.

4. Scheme not detrimental to the interests of the shareholders of the Company

- 4.1 The members of the Committee discussed and deliberated upon the rationale and salient features of the Scheme, Valuation Report, Fairness Opinion, Auditors' Certificate and the specific points mentioned above including the interest of the shareholders of the Company.
- 4.2 The Independent Directors of the Company noted that the Scheme will provide an opportunity to improve the economic value of the Company. This is particularly marked in the improved synergies in healthcare services, research and operations.
- 4.3 Further, the Committee has discussed the Scheme at length with the management of the Company. The management of the Company during several discussions have informed

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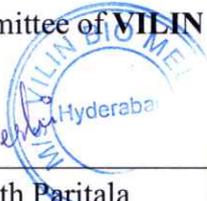
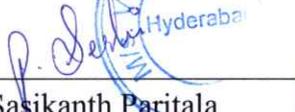


the Committee that the proposed consolidation of the businesses of the Transferor Company and the Transferee Company, would lead to focused growth, operational efficiencies, and business synergies, which should drive future growth and enhance shareholder value. In light of the aforementioned rationale of the Scheme and other related matters, the Committee is of the informed opinion that there will be no detrimental impact on the shareholders of the Company due to the proposed Scheme as the proposed amalgamation will be in accordance with the share exchange ratio, which ratios have been recommended under the Valuation Report and in relation to which, the Fairness Opinion has been provided to the Company.

5. Recommendation of the Committee

5.1 The Committee after due deliberations and due consideration of all the terms of the draft Scheme, the above rationale, the Valuation Report, Fairness Opinion and the specific points mentioned above including that the Scheme is not detrimental to the shareholders of the Company, recommends the draft Scheme for favourable consideration by the board of directors of the Company, the National Stock Exchange Limited, the SEBI and other statutory/regulatory authorities including Hon'ble National Company Law Tribunal.

For and on behalf of
Audit Committee of **VILIN BIO MED LIMITED**



Mr. Sasikanth Paritala
(DIN: 08407277)
Chairman of the Committee of Independent Directors

Date: February 16, 2026

Place: Hyderabad