

REPORT ADOPTED AND RECOMMENDED BY THE AUDIT COMMITTEE ("COMMITTEE") OF VILIN BIO MED LIMITED ("COMPANY" OR "TRANSFEE COMPANY") AT ITS 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., ON THE DRAFT SCHEME OF AMALGAMATION AMONGST M/S. CHEMGENIX LABORATORIES PRIVATE LIMITED AND THE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Members Present:

Mr. Sasikanth Paritala	- Chairman (Non-Executive Independent Director)
Mr. Madhusudhan Yadamakanti Reddy	- Member (Managing Director)
Mr. Veeraiah Chowdarykolla	- Member ((Non-Executive Independent Director)

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 16th February, 2026, for its consideration and making recommendation to the Board of Directors of the Company.
- 1.2 As per the SEBI Scheme Circular, a report from the Committee recommending the draft Scheme is required, taking into consideration inter alia, the Valuation Report (as hereinafter defined), and commenting on the need for the Scheme, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme. This report of the Audit Committee is made in compliance

with the requirements of the SEBI Scheme Circular issued by SEBI pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

- 1.3 While deliberating on the Scheme, the Committee, inter alia, considered and has take 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. SALIENT FEATURES OF THE SCHEME

- 2.1 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, comprised of 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;

Vilin Bio Med Limited, Registered Office: Plot No. 43, H. No. 8-2-269/S/43, 2nd Floor, Sagar Co-op Housing Society Ltd, Road No. 2, Banjara Hills Khairatabad, Hyderabad – 500034

Manufacturing Unit: Unit-II, Khasra No. 85, Madhopur Village, Roorkee, Haridwar – 247667

79618843

mail: cs@vilinbiomed.co.in

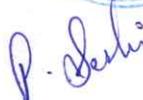
www.vilinbio.com

CIN: L24230TG2005PLC046689

Tel No: 040-

GST: 36AACCV1433D1ZR E-

Website:



- 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 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.

3. NEED FOR THE AMALGAMATION

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.

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

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.

4. RATIONALE FOR THE SCHEME

1. 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. 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
3. With a view to consolidate the business interests of the Parties (*as defined below*), the Parties have decided that the Transferor Company with all its business interests, be amalgamated with and into the Transferee Company.
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.

Vilin Bio Med Limited, Registered Office: Plot No. 43, H. No. 8-2-269/S/43, 2nd Floor, Sagar Co-op Housing Society Ltd, Road No. 2, Banjara Hills Khairatabad, Hyderabad – 500034

Manufacturing Unit: Unit-II, Khasra No. 85, Madhopur Village, Roorkee, Haridwar – 247667

79618843

mail: cs@vilinbiomed.co.in

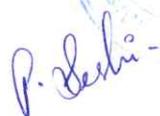
www.vilinbio.com

CIN: L24230TG2005PLC046689

Tel No: 040-

GST: 36AACCV1433D1ZR E-

Website:



- 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.
 - 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.

5. IMPACT OF THE SCHEME ON THE SHAREHOLDERS

- 5.1 Pursuant to the Scheme, the Transferor Company shall be transferred to and vested in the Transferee Company.
- a. Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company into the Transferee Company in terms of the Scheme, the Company shall issue and allot to the equity shareholders of the Transferor Company whose names

Vilin Bio Med Limited, Registered Office: Plot No. 43, H. No. 8-2-269/S/43, 2nd Floor, Sagar Co-op Housing Society Ltd, Road No. 2, Banjara Hills Khairatabad, Hyderabad – 500034

Manufacturing Unit: Unit-II, Khasra No. 85, Madhopur Village, Roorkee, Haridwar – 247667

79618843

mail: cs@vilinbiomed.co.in

www.vilinbio.com

CIN: L24230TG2005PLC046689

Tel No: 040-

GST: 36AACCV1433D1ZR E-

Website:



appear on the register of members as a member of the Transferor Company or whose name appears on the register of beneficial owners of the equity shares of the Transferor Company in the records of the depositories/register of members, as the case may be, as on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of the Company fully paid up equity shares, free and clear from all encumbrances together with all rights and benefits attaching thereto in the following ratio:

"For every 1 (one) Transferor Company Share, 1 (one) Transferee Company Shares to be issued to the shareholders of the Transferor Company as of the Record Date, as determined by the Valuation Reports and the Fairness Opinions." ("Share Exchange Ratio")

b. Cost Benefit Analysis of the Scheme

The Scheme is expected to provide an opportunity to improve the economic value for the Companies involved in the Scheme and their stakeholders pursuant to the consolidation. This is primarily on account of revenue and cost synergies which are expected to accrue to the Company on account of the Scheme and more particularly detailed out in paragraph 4 and 5 above. While the proposed Scheme would lead to transaction costs relating to its implementation, the benefits of the Scheme outweigh such costs for the Company and its stakeholders.

6. VALUATION REPORT AND FAIRNESS OPINION

6.1 The Audit Committee reviewed the:

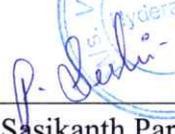
- a. Draft Scheme;
- b. Valuation Report and noted the methods of valuation;
- c. Fairness Opinion; and
- d. Auditor's Certificate.

6.2 The Audit Committee also discussed and deliberated on the aforesaid with the statutory auditors, registered valuer and the merchant bankers, present in the meeting as invitees.

7. RECOMMENDATION OF THE AUDIT COMMITTEE

- 7.1 The Committee has reviewed the Valuation Report and noted the recommendations made therein. Further, the Fairness Opinion has confirmed that the recommended share entitlement ratio and the Share Exchange Ratio by the valuers in the Valuation Report are fair to the shareholders of the Company.
- 7.2 Taking into consideration the draft Scheme, Valuation Report, Fairness Opinion, Auditor's Certificate, need for the Scheme, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme, and other relevant documents, as placed, the Audit Committee recommends the draft Scheme for favourable consideration and approval by the Board of Directors of the Company, Stock Exchanges, SEBI and other appropriate authorities.

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



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

Date: February 16, 2026
Place: Hyderabad