Mr. Senthil Kumar S **Registered Valuer-SFA** **IBBI Registration No. IBBI/RV/06/2022/14652** **# 999/9, 2nd Floor, SSMB Plaza,** **5th A Cross, Outer Ring (Service) Road,** **Kalyana Nagar Post,** **Bangalore – 560 043.** **Email: senthilkumarca@outlook.com**	**Mr. Nataraja Nanjundaiah** **Registered Valuer-SFA** **IBBI Reg. No.: IBBI/RV/05/2021/13891** **# 3108, First Cross,** **Mariyappana Palya,** **Bangalore – 560021** **Email: nnataraja491@gmail.com**

Date: June 26, 2026

Board of Directors
Ipca Laboratories Limited
48, Kandivli Industrial Estate
Kandivli (West),
Mumbai – 400 067

Board of Directors
Krebs Biochemicals & Industries Limited
Kothapalli Village, Kasimkota Mandal,
Visakhapatnam District,
Andhra Pradesh – 531031

Re: Recommendation of Fair Share Exchange Ratio for the Proposed Amalgamation of Krebs Biochemicals & Industries Limited with and into Ipca Laboratories Limited

We refer to the respective engagement letters ("LoE") of Mr. Senthil Kumar S ("VALUER 1") and Mr. Nataraja Nanjundaiah ("VALUER 2") whereby VALUER 1 and VALUER 2 are appointed by Ipca Laboratories Limited ("IPCA" or "Transferee Company") and Krebs Biochemicals & Industries Limited ("KREBS" or "Transferor Company") respectively, (together referred to as the "Clients" or the "Companies" or "Specified Companies" or "you" or "your") to assist in recommending the fair share exchange ratio ("Share Exchange Ratio") in connection with the proposed amalgamation of KREBS with IPCA pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in accordance with Section 2(1B) of the Income-tax Act, 1961 or the corresponding provisions of the Income-tax Act, 2025, as may be applicable, and other applicable laws, rules and regulations ("Proposed Amalgamation").

VALUER 1 and VALUER 2 are hereinafter jointly referred to as the "Valuers" or "We" or "us" and individually referred to as the "Valuer" in this Valuation Report. IPCA and KREBS are hereinafter jointly referred to as the "Companies" or the "Valuation Subjects".

The Share Exchange Ratio for this Report refers to the number of equity shares of IPCA to be issued to the equity shareholders of KREBS as consideration for the Proposed Amalgamation with 31st March 2026 being the "valuation date".

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Ipca Laboratories Limited (Transferee Company)

(a) The Transferee Company was incorporated on October 19, 1949 under the Companies Act, 1913, with the Registrar of Companies, Maharashtra, Mumbai, as The Indian Pharmaceutical Combine Association Limited. The name of the Transferee Company was changed to Ipca Laboratories Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Assistant Registrar of Companies, Maharashtra on August 6, 1964. The name of the Transferee Company was again changed to Ipca Laboratories Private Limited on January 13, 1966 and a fresh Certificate of Incorporation consequent to change of name was issued by the Assistant Registrar of Companies, Maharashtra. The status of the Transferee Company was later changed to deemed public company by deleting "private" from its name pursuant to Section 43A(1-A) of the Companies Act, 1956 by the Assistant Registrar of Companies, Maharashtra, on August 9, 1988. Vide Certificate of Change of Name issued by the Additional Registrar of Companies, Maharashtra, Mumbai on January 7, 1994, the status of the Transferee Company was changed from "deemed public Company" to "full-fledged public Company". The Corporate Identification Number of the Transferee Company is L24239MH1949PLC007837. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited (together referred to as the "Stock Exchanges").

(b) The registered office of the Transferee Company is situated at 48, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400067.

(c) The Transferee Company is a fully-integrated Indian pharmaceutical company manufacturing nearly 350 formulations and 80 APIs for various therapeutic segments. For more than 60 years, the Transferee Company has been partnering healthcare globally in over 100 countries and in markets as diverse as Africa, Asia, Australia, New Zealand, United Kingdom, Europe and the United States of America.

Krebs Biochemicals & Industries Limited (Transferor)

(a) The Transferor Company was originally incorporated as Krebs Biochemicals Limited under the Companies Act, 1956 and the Certificate of Incorporation was issued by the Registrar of Companies, Andhra Pradesh on December 2, 1991. Certificate of Commencement of Business was issued on May 8, 1992 by the Registrar of Companies, Andhra Pradesh. The name of the Transferor Company was changed to Krebs Biochemicals & Industries Limited and a Fresh Certificate of Incorporation consequent to change of name issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on November 21, 2003. The Corporate Identification Number of the Transferor Company is L24110AP1991PLC103912. The equity shares of the Transferor Company are listed on BSE Limited and National Stock Exchange of India Limited (together referred to as the "Stock Exchanges").

(b) The registered office of the Transferor Company is situated at Kothapalli Village, Kasimkota Mandal, Anakapalli, Vishakapatnam, Andhra Pradesh - 531031.

(c) The Transferor Company is engaged in the manufacturing and marketing of fermentation based and other Active Pharmaceutical Ingredients (APIs), Pharmaceutical Drug Intermediates, Fine Chemicals and Nutraceuticals.

We understand that the managements of IPCA and KREBS (collectively, the "Managements") are evaluating a Scheme of Amalgamation ("Scheme") under the provisions of Sections 230 to 232, and other relevant provisions of the Companies Act, 2013, including the rules and regulations issued thereunder, as may be applicable, involving transfer by way of amalgamation of KREBS with and into IPCA.

For the aforesaid purpose, the management of IPCA and KREBS have requested respective Valuers to submit a joint report recommending the Share Exchange Ratio for the proposed amalgamation for consideration of the Board of Directors of the Specified Companies. This Report will be placed before the respective Boards of the Specified Companies and, to the extent required under applicable law, may be submitted to shareholders, stock exchanges, SEBI, NCLT and other regulatory authorities in connection with the Scheme.

Our appointment as a registered valuer for this Engagement is as per Section 247 to be read with Section

SENTHIL KUMAR. S Reg No IBBI/RV/06/2022/14652 Bangalore REGISTERED VALUER-SFA

NATARAJA NANJUNDAIAH REG NO. IBBI/RV/05/2021/13897 REGISTERED VALUER- SFA, BANGALORE

230 to 232 of the Companies Act, 2013 and the extant SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the Master Circular (SEBI/HO/CFD/E'OD-2/P/CIR/2023/93) dated 20 June 2023 issued by the Securities and Exchange Board of India ("Master Circular") and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, requirements including any other applicable laws, rules, and/or regulations thereunder as in force for the time being (all collectively referred to as "the Act").

The scope of our services is to conduct a valuation of the equity shares of IPCA and KREBS on a relative basis and report the share exchange ratio for the Proposed Transaction.

We as Valuers have independently arrived at different values per share of the Valuation Subjects. However, to arrive at a consensus on the Share Exchange Ratio for the Proposed Amalgamation, appropriate minor adjustments/ rounding off have been made by the Valuers and thereafter jointly agreed upon the Share Exchange Ratio for the purposes of this Report.

We have been provided with the latest audited financials of the Specified Companies. Further, we have taken into consideration market parameters as at the date of this Report ("Valuation Date" or "Report Date"), in our analysis and made adjustments for information made known to us by the Management till the date of this Report which will have a bearing on the valuation analysis. The cut-off date for financial information has been considered as 31st March, 2026.

Our deliverable under this engagement is to undertake the valuation of the equity shares of IPCA and KREBS and provide our opinion on the fair equity share exchange ratio for the Proposed Transaction ("Share Exchange Ratio Report" or the "Report"), with 31st March, 2026 being considered as the "Valuation Date". The valuation is based on a going concern premise. This Report will be placed before the respective Boards of the Specified Companies and, to the extent required under applicable law, may be submitted to shareholders, stock exchanges, SEBI, NCLT and other regulatory authorities in connection with the Scheme.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

DISCLOSURE OF INTEREST/ CONFLICT

The Valuers are not affiliated with the Clients in any manner whatsoever. We do not have financial interest in the businesses/ companies which are the subject of this Report. Valuers' fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report. Further, the information provided by the Managements have been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided to us to carry out the valuation.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Management has been provided with the opportunity to review the draft Report (excluding the recommended Share Exchange Ratio) as part of our standard practice to ensure that factual inaccuracies/ omissions are avoided in our final Report.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain while arriving at the Share Exchange Ratio for the Proposed Amalgamation:

- Draft Scheme of Amalgamation highlighting the salient features of the Proposed Transaction,
- Audited historical financial statements for the Companies from FY2023-24 to FY2025-26;
- Number of equity shares of the Companies as on the Valuation Date and as at the date of this Report,
- Financial projections of the Companies, as applicable;
- Other relevant information and documents for the purpose of this engagement are provided through emails or during discussions;
- Discussion with the Managements in connection with the operations, past and present activities, future plans and prospects, share capital and shareholding pattern of the Companies;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Companies. We have not independently verified the accuracy or timeliness of the same.
- Such other analyses and enquiries, as we considered necessary.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise.

VALUATION PROCEDURES ADOPTED

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not limited to the following:

<u>Discussion with the Management to</u>:
- Understand the business, key value drivers, historical financial performance and projected financial performance of the Companies.
- Enquire about the historical financial performance, current state of affairs of the Valuation Subjects.
- Enquire about business plans and future performance estimates.

<u>Undertook Industry Analysis</u>:
- Research on publicly available market data on the industry that may impact the valuation.
- Analyzed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us.
- Selected internationally accepted valuation methodology/(ies) as considered appropriate by us, in accordance with the ICAI Valuation Standards/International Valuation standards published by the International Valuation Standards Council.

MAJOR FACTORS THAT WERE CONSIDERED DURING THE VALUATION

- Growth in Revenue, EBITDA Margins achieved historically of the Companies.
- Representations by the Management on the current status of operation of the Companies.
- Key operating/ financial parameters of the Companies and the risks associated with their businesses.
- Financial Projections of the Companies provided to us.
- Discussion with the Managements of the Companies on future business aspects.

DISCLOSURE OF THE REGISTERED VALUER'S INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the companies/valuation subjects, nor do we have any conflict or interest in carrying out this valuation, as of the date of the engagement letter till the report date.

Further, the information provided by the Management has been appropriately reviewed in carrying out the valuation. Sufficient time and information were provided for us to carry out the valuation.

LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS, AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces and circumstances, this Report can only be regarded as relevant as at the Valuation Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our clients are the only authorized users of this Report and the report can be used for the purpose of Proposed Amalgamation. The Report is restricted for the purpose indicated in the respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Clients' existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

This Report, its contents and the results herein are specific to (i) the purpose of relative valuation agreed as per the terms of our Engagement; (ii) the Valuation Date; (iii) and are based on the audited financials of the Companies as at 31st March 2026 (as applicable), other information provided by the Managements and (iv) other information obtained by us from time to time.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The Clients and their Managements/representatives stated to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/Clients, their Managements and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the Report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees or agents.

The Valuers are not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the equity value of the Companies.

We do not provide assurance on the achievability of the results forecast by the Managements as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on the actions, plans and assumptions of the Managements.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/ unaudited balance sheets of the Companies, if any provided to us.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The valuation analysis and results are governed by the concept of materiality.

It has been assumed that the required and relevant policies and practices have been adopted by the Companies and would be continued in the future.

The actual share exchange ratio may be higher or lower than our recommendation depending upon the circumstances of the transaction, the nature of the business. The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the exchange ratio achieved. Accordingly, our recommended share exchange ratio will not necessarily be the share exchange ratio at which actual transaction will take place.

We have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

This Report and the information contained herein is absolutely confidential. The Report will be used by the Client only for the purpose, as indicated in the LoE for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied upon by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof,

SENTHIL KUMAR S Reg No IBBI/RV/06/2022/14652 Bangalore REGISTERED VALUER-SFA

NATARAJA NANJUNDAIAH REG NO. IBBI/RV/05/2021/13891 REGISTERED VALUER-SFA, BANGALORE except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or regulatory requirement to do so.

The recommendation rendered in this report only represents our recommendation based upon information received from the Companies till this report is issued and other sources and the said recommendation shall be considered to be in the nature of non-binding advice {our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the share swap ratio at which the Proposed Transaction shall take place and factors other than our Valuation report will need to be taken into account in determining said share swap ratio; these will include your own assessment of the Proposed Transaction and may include the input of other professional advisors.

The Report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of the Clients. Without limiting the foregoing, we understand that the Clients may be required to submit the report to or share the report as per terms agreed in the LoE in connection with the Proposed Transaction. We hereby give consent to the disclosure of the report to such recipients as permitted under the terms of the LoE, subject to the Client ensuring that any such disclosure shall be subject to the condition and understanding that:

- It will be the Clients' responsibility to review the report and identify any confidential information that it does not wish to or cannot disclose.
- We owe responsibility to only the Clients that have engaged us and nobody else, and to the fullest extent permitted by law.
- We does not owe any duty of care to anyone else other than the Clients and accordingly that no one other than the Clients is entitled to rely on any part of the report.
- We accept no responsibility or liability towards any third party (including, the recipients as permitted under the terms of the LoE) to whom the Report may be shared with or disclosed or who may have access to the report pursuant to the disclosure of the Report to the recipients as permitted under the terms of the LoE. Accordingly, no one other than the Clients have any recourse to us with respect to the Report.
- We shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by the Clients or to whom the Clients may disclose or directly or indirectly permit the disclosure of any part of the report and that by allowing such disclosure.
- We do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this valuation report in any document and / or filing with tribunal / judicial / regulatory authorities / government authorities/ stock exchanges *I* courts *I* professional advisors / merchant bankers, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Board of Directors of the Clients.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Transaction, without our prior written consent.
We have no present or planned future interest in the Companies. Our fees for this Report is not contingent upon the values or results reported herein.

This report is subject to the laws of India. Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding off.

Though the Valuers are issuing a joint report, notwithstanding the issuance of this joint report, it is clarified that Valuer 1 / Valuer 2 are not responsible for the acts or omissions of Valuer 2 / Valuer 1 in connection with this engagement. Further, we will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions or advice given by any other person.

SHAREHOLDING PATTERN/ SHARE CAPITAL DETAILS

Transferee Company / IPCA

As at 31st March 2026, the paid-up equity value of IPCA is ₹ 25.37 Crores consisting of 25.37 Crore Equity Shares of face value of ₹ 1/- each fully paid up.

Category	Shares	%
Promoters	11,34,67,472	44.72%
Public	14,02,36,746	55.28%
Total	25,37,04,218	100.00%

Transferor Company / KREBS

As at 31 March 2026, the paid-up equity value of KREBS is ₹ 21.56 Crores consisting of 2.15 Crore Equity Shares of face value of ₹ 10/- each fully paid up.

Category	Shares	%
Promoters	1,56,84,134	72.74%
Public	58,76,452	27.26%
Total	2,15,60,586	100.00%

APPROACH FOR RECOMMENDATION OF SHARE EXCHANGE (SWAP) RATIO

Basis of Share Exchange (Swap) Ratio for the Proposed Amalgamation *(Proposed Transaction)*

The report has been prepared on the basis of "Fair Value" as at Valuation Date. The generally accepted definition of "Fair Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

The Scheme contemplates the amalgamation of KREBS into IPCA. Arriving at the share exchange ratio for the Proposed Transaction would require determining the value of the equity shares of the Companies on a relative basis. These values are to be determined independently, but on a relative basis for the Companies, without considering the effect of the Proposed Transaction.

The valuation approaches adopted by Valuers are given in Annexure 1 and 2 respectively (together referred to as "Annexures").

The determination of a share exchange ratio/ valuation is not a precise science, and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single share swap ratio/ equity value estimate. While We have provided our recommendation of the share swap ratio{s) based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the same.

The final responsibility for the determination of the share swap ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

We have independently applied approaches/methods discussed in the Annexures, as considered appropriate, and arrived at the value per share of the Companies. To arrive at the consensus on the share exchange (swap) ratio for the Proposed Transaction, suitable minor adjustments/ rounding off has been done.

In light of the above, and upon the consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following share swap ratio:

7 (Seven) equity shares of IPCA for every 200 (Two hundred) equity shares of KREBS.

It should be noted that we have not examined any other matter including economic rationale for the Proposed Amalgamation per se or accounting, legal or tax matters involved in the proposed transaction.

Respectfully Submitted,

Senthil Kumar S
Registered Valuer
Registration No. **IBBI/RV/06/2022/14652**
Asset Class: Securities and Financial Assets
UDIN: 26217261SQDQRL2815
Date: 26th June 2026
Place: Bangalore

Respectfully Submitted,

Nataraja Nanjundaiah
Registered Valuer-SFA
Registration No. **IBBI/RV/05/2021/13891**
Asset Class: Securities and Financial Assets
UDIN: 2625023ZZQZCCILCJ1
Date: 26th June 2026
Place: Bangalore

Annexure 1

ANNEXURE 1:

This Report has been prepared on the basis of the Going Concern premise of value. A Going Concern Value represents the value of a business enterprise that is expected to continue its operations into the foreseeable future, without any intention or necessity of liquidation or material curtailment of its business activities.
Accordingly, the valuation of Ipca Laboratories Limited ("IPCA" or the "Transferee Company") and Krebs Biochemicals & Industries Limited ("KREBS" or the "Transferor Company") has been carried out on a going concern basis as of 31 March 2026 (the "Valuation Date").

VALUATION APPROACH- Valuer 1

The report has adopted "Going Concern Value" as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles laid out in the ICAI Valuation Standards/International Valuation Standards, as applicable to the purpose and terms of this Engagement.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset
approach, for determining the relative fair value of the equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the share exchange (swap) ratio for the purpose of the Proposed Transaction, such as:

- Asset Approach - Net Asset Value (NAV) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Market Approach - Market Price Method; Comparable Companies Multiples (CCM) Method; Comparable Transactions Method (CTM)

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

SENTHIL KUMAR S
Reg No
IBBI/RV/06/2022/14652
Bangalore
REGISTERED VALUER-SFA

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The basis of the valuation of the Proposed Transaction would have to be determined after taking into consideration all the factors, approaches and methods considered appropriate by the Valuer. Though different values may have been arrived at under each of the above approaches/ methods, for the purposes of recommending the share swap ratio it is necessary to arrive at a single value for the shares of the companies involved in a transaction such as the Proposed Transaction. It is, however, important to note that in doing so, We are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a share swap ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/ method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. The determination of a share exchange ratio is not precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions.

Asset Approach - Net Asset Value Method

Under the asset approach, the Net Asset Value (NAV) method is considered on a going-concern premise. The operating assets and liabilities are considered at their book values, which, in the absence of indications to the contrary, they are taken to reasonably approximate their fair values, the operating value of the business being separately captured under the income and market approaches. Appropriate adjustments are made, inter alia, for the fair value of surplus / non-operating assets, if any. The aggregate value so determined, after deducting external liabilities and preference capital (if any), represents the value attributable to the equity shareholders.

Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cashflows or
income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

SENTHIL KUMAR. S Reg No IBBI/RV/06/2022/14452 Bangalore REGISTERED VALUER-SFA

Under the DCF method, the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity - Free Cash Flows to Firm (FCFF) technique; The discount rate which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow forecast is based on projected financials as provided by the Management. While carrying out this Engagement, we have relied on historical information made available to us by the Management of the Companies and the projected financials for future related information. Although We have read, analyzed and discussed the Management Business Plan for the purpose of undertaking a valuation analysis, We have not commented on the achievability of the assumptions/ projections provided to us save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of the assignment. We have assessed and evaluated the reasonableness of the projections based on procedures such as analyzing industry data, historical performance, expectations of comparable companies, analyst reports etc.

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

> Market Price Method: Under this method, the value of the shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and frequently traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values fluctuate in a volatile capital market. Further, in the case of a merger/ demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

SENTHIL KUMAR. S
Reg No
IBBI/RV/06/2022/14652
Bangalore
REGISTERED VALUER-SFA

- Comparable Companies Multiples (CCM) Method: Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- Comparable Transaction Multiples (CTM) Method: Under this method, the value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us has been placed in this Annexure of the Report.

VALUER NOTES IN RELATION TO THE PROPOSED TRANSACTION

The valuation has been carried out using the DCF method under the Income Approach and the Market Price method and comparable companies Multiple Method under the Market Approach for IPCA and KREBS.

The DCF method has been adopted as detailed financial projections are available from Management, and Management has good clarity on the future outlook of the business, which provides a reasonable basis for
estimating future cash flows for valuation purposes.

The Market Price Method and Comparable Companies Multiple has been considered as both companies are listed and frequently traded, there by providing observable market-based inputs for valuation. We have considered higher of the two values under the market price method – (i) 90 trading days volume Weighted Average Price or (ii) 10 trading days volume Weighted Average Price of equity shares of IPCA and KREBS on the Stock Exchanges. The market price data considered for valuation under the Market Price Method has been taken up to 25th June, 2026.

No weightage has been assigned to the Asset Approach / NAV Method for IPCA, as the Company is a going concern with an established operating track record and its value is driven predominantly by its future earnings potential and cash flow generation capabilities. Consequently, methods based on earnings and market parameters are considered more appropriate for determining the fair value of the equity shares of IPCA than the underlying net asset value.

Further, as informed to us, the assets are primary business drivers in the form of Land, Building and Plant & Machineries and are not surplus assets. Accordingly, their market value cannot be ascribed to the equity share value as is done in the case of liquidation, since the companies are going concern.

The shares of IPCA and KREBS are listed and frequently traded on Stock Exchanges. Where an active public market for equity share exists, it is generally regarded as the leading indicator of the value. Accordingly, higher weightage has been assigned to the market price method for both IPCA and KREBS. In case of IPCA, equal weights have been assigned to Income Approach and comparable companies method, as DCF method relies heavily on the management estimates of future projections and comparable companies are not strictly comparable to the valuation subject. In case of KREBS, lower weight is assigned to the comparable companies multiple method, since KREBS is loss making company and has negative net worth while the comparable companies are having positive business characteristics.

The Asset Approach / NAV Method has not been considered appropriate for the valuation of KREBS. KREBS is an operating business, and its value is primarily driven by its ability to generate future cash flows rather than the realizable value of its underlying assets. Although the Company has incurred operating losses in recent years, the proposed amalgamation is being evaluated on a going concern basis and accordingly DCF method was also used. However, the value arrived using DCF method in case of KREBS is abysmally low and an outlier and hence is given nil weight.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend a share exchange ratio of:

7 (Seven) equity shares of IPCA for every 200 (Two Hundred) equity shares of KREBS.

The computation of the share exchange ratio has been presented in the table below :

Valuation Summary	IPCA (Rs.)	Weight	KREBS	Weight
Fair Value Per share (₹)				
- Income Approach-DCF	1376.14	25%	2.18	0%
- Market Price Method	1592.22	50%	65.67	80%
- Comparable Companies Multiple Method	1798.76	25%	11.44	20%
Concluded Fair Value Per Share	1589.84		54.82	
Value	₹ 1590 per Equity Share		₹ 55 per Equity Share	
Share Exchange Ratio	**7:200** **7 (Seven) Equity Shares of IPCA for every 200 (Two Hundred) Equity Shares KREBS**			

Respectfully Submitted,

Senthil Kumar S
Registered Valuer
Registration No. **IBBI/RV/06/2022/14652**
Asset Class: Securities or Financial Assets
UDIN: 26217261MCVLTA1896

Date: 26th June 2026
Place: Bangalore

ANNEXURE 2: VALUATION APPROACH- Valuer 2

This Report has been prepared on the basis of Going Concern Value as the premise of value. Going Concern Value is the value of a business enterprise that is expected to continue to operate in the future. Accordingly, the valuation of Ipca Laboratories Limited ("IPCA" or "Transferee Company") and Krebs Biochemicals & Industries Limited ("KREBS" or "Transferor Company") has been carried out on a going concern basis as at 31st March 2026 ("Valuation Date").

1. OVERVIEW OF VALUATION APPROACHES

The three internationally recognised valuation approaches are the Market Approach, the Income Approach and the Asset Approach, each encompassing several accepted methods for determining the fair value of equity shares of a company on a relative basis.

1.1 Market Approach

The Market Approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities (such as a business). The methods under this approach include:

• **Market Price Method**

Under this method, the value of the equity shares of a company is determined with reference to the market capitalisation of such shares as quoted on a recognised stock exchange over a reasonable period of time, where such quotations arise from shares being regularly and freely traded in an active market, subject to adjustment for any speculative element built into the market price.

For the purpose of this Report, the Market Price Method has been applied in accordance with Regulation 164(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

• **Comparable Companies Multiples ("CCM") Method**

Under this method, value is measured by applying market multiples derived from publicly listed comparable companies with similar attributes to the relevant financial parameters of the company being valued, with appropriate adjustments for dissimilarities in size, liquidity, growth and risk.

The Comparable Companies Multiples ("CCM") Method is a market-based valuation approach that estimates the value of a business by reference to the valuation multiples of publicly traded companies that are engaged in similar lines of business and possess comparable operational, financial, and economic characteristics. The underlying premise of this method is that companies operating in similar industries with comparable risk and growth profiles should exhibit similar valuation relationships.

Under this method, an appropriate peer group of listed companies is identified after considering factors such as industry, business model, product portfolio, scale of operations, profitability, growth prospects, geographic presence, capital structure, and risk profile.

Relevant market valuation multiples, such as Enterprise Value to EBITDA (EV/EBITDA), Enterprise Value to Revenue (EV/Revenue), Price to Earnings (P/E), or Price to Book Value (P/BV), are derived from the selected comparable companies and applied to the corresponding financial metrics of the subject company.

Appropriate adjustments may be made to account for differences between the subject company and the selected comparable companies, including variations in size, liquidity, operational efficiency, growth expectations, profitability, leverage, and company-specific risks. The resultant value is evaluated in conjunction with other valuation methodologies to arrive at a fair and reasonable estimate of the enterprise value and/or equity value of the company.

Comparable Transaction Multiples ("CTM") Method

Under this method, value is derived from multiples implied by comparable mergers and acquisition transactions, reflecting the price that informed buyers and sellers have agreed upon in arm's length dealings.

Under the Comparable Transaction Multiples ("CTM") Method, the value of a business is estimated by reference to valuation multiples implied by comparable mergers, acquisitions, or strategic investment transactions involving companies operating in similar industries. The underlying premise is that prices agreed upon between knowledgeable and willing buyers and sellers in arm's length transactions provide a reliable indication of market value. Relevant transaction multiples, such as EV/EBITDA, EV/Revenue, or P/E, are applied to the corresponding financial metrics of the subject company after considering its operational and financial characteristics. Appropriate adjustments are made to reflect differences in size, growth prospects, profitability, risk profile, market conditions, and transaction-specific factors, including the impact of control premiums, wherever applicable.

1.2 Income Approach

The Income Approach converts maintainable or projected future amounts (such as cash flows or earnings) to a single current (i.e., discounted or capitalised) amount. The value measurement reflects current market expectations about those future amounts.

Under the Discounted Cash Flow ("DCF") Method, the projected free cash flows to the firm ("FCFF") available to all providers of capital are discounted at the Weighted Average Cost of Capital ("WACC") to arrive at the Enterprise Value. The value of equity is then derived by deducting net debt and making other relevant adjustments. The WACC reflects the opportunity cost to all capital providers, weighted by their relative contribution to the total capital of the company.

For the purpose of DCF valuation, the free cash flow projections are based on the financial forecasts provided by the Management of the respective Companies. We have reviewed, analysed and discussed the Management Business Plan and assessed the reasonableness of projections by reference to industry data, historical performance, expectations of comparable companies and analyst reports. However, we do not provide assurance on the achievability of such projections.

NATARAJA NANJUNDAIAH REG NO. IBBI/RV/05/2021/13897 REGISTERED VALUER - SFA, BANGALORE

1.3 Asset Approach

Under the Asset Approach, the Net Asset Value ("NAV") Method determines value based on the underlying net assets and liabilities of a company, taking into account operating assets and liabilities at book value, with appropriate adjustments for surplus or non-operating assets at fair value.

2. METHODOLOGY SELECTED AND RATIONALE

The choice of valuation methodology depends on the purpose for which the valuation is undertaken. We have arrived at the choice of methodology using conventional methods adopted for transactions of a similar nature, based on independent and bona fide judgment and previous experience of assignments of a similar nature.

For the present valuation exercise, we have considered it appropriate to apply the following methods for the valuation of IPCA and KREBS:

<u>For IPCA</u>

- DCF Method - under the Income Approach; and
- Market Price Method and Comparable companies Multiple Method - under the Market Approach.

<u>For Krebs</u>

- DCF Method - under the Income Approach;
- Market Price Method and Comparable companies Multiple Method - under the Market Approach

The rationale for selection and exclusion of methods is as follows:

The DCF Method has been adopted as it captures the intrinsic value of each Company based on its expected future free cash flow generation potential, duly reflecting the specific operating characteristics, capital structure and long-term growth prospects of each business.

The Market Price Method has been adopted as the equity shares of both IPCA and KREBS are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and are regularly and freely traded, making market prices a relevant and observable indicator of value on a relative basis.

The Comparable Companies Multiples Method has been adopted as both IPCA and KREBS operate in the pharmaceutical industry, where a sufficient number of comparable listed companies with similar business characteristics, operating profiles, and financial metrics are available. The method provides an objective benchmark by applying valuation multiples observed for comparable publicly traded companies to the financial parameters of the subject companies, thereby reflecting prevailing market expectations regarding growth, profitability, risk, and industry dynamics.

Although different values may have been arrived at under each of the above approaches / methods, it is important to note that we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a fair share swap ratio.

3. WEIGHTAGE ASSIGNED TO EACH METHOD

Having regard to the nature of the Proposed Transaction, the maturity and operating stage of the Companies, the availability of reliable market data, and the Company-specific financial projections, we have assigned equal weightage to both methods as set out below:

Valuation Method	Weightage – IPCA	Weightage – KREBS
Market Price Method	50%	80%
Comparable Companies Multiples method	25%	20%
DCF Method	25%	0%
NAV Method	0%	0%
Total	100%	100%

We have exercised professional Judgment in assigning equal weightage to both methods, considering that each method captures a materially different dimension of value - intrinsic cash flow-based value versus observable market consensus value - and that, in the context of listed companies with active market prices and reliable projections, neither method should be accorded primacy over the other.

4. VALUATION SUMMARY AND RECOMMENDED SHARE SWAP RATIO

We have applied the DCF Method and the Market Price Method independently to each Company and arrived at the value per equity share of each Company, without considering the effect of the Proposed Transaction. The weighted average value per equity share of each Company has been used to compute the implied share swap ratio, as presented in the table below:

Particulars	IPCA	KREBS
Weightage – Market Price Method	50%	80%
Comparable Companies Multiples method	25%	20%
DCF Method	25%	0%
Value per share-Market Price Method (₹)	1592.22	65.67
Value per Share- Comparable Companies Multiples Method (₹)	1798.76	14.52
Value per share – DCF method (₹)	1294.66	3.85
Weighted Average Value per Share (₹)	**1569**	**55**
Implied share swap ratio (IPCA : KREBS)	**7 : 200 i.e. 7 (Seven) Equity Shares of IPCA for every 200 (Two Hundred) Equity Shares KREBS**	

NATARAJA NANJUNDAIAH REG. NO. IBBI/RV/05/2021/13691 REGISTERED VALUER- SFA BANGALORE

5. VALUER NOTES

For IPCA, higher weight is assigned for market price method considering active trading history of the Company and balance weights have been distributed between DCF and comparable company method. An active market is reflective of collective market wisdom of market participants as such is considered for higher weightage.

For KREBS, the Income Approach has not been considered for the purpose of valuation. Greater weightage has been assigned to the Market Price Method, as the equity shares of KREBS are listed and frequently traded and the market price is considered to reflect the value determined by market participants. The Comparable Companies Multiple Method has been assigned lower weightage and has been considered as a corroborative valuation approach based on the availability of comparable listed companies.

The Market Price Method and Comparable Companies Multiple Method have been considered appropriate, given that the equity shares of both IPCA and KREBS are listed and actively traded on the stock exchanges. For the purpose of valuation under the Market Price Method, the higher of the 90-trading day VWAP and the 10-trading day VWAP of the equity shares of each company has been considered. The market price data considered for valuation under the Market Price Method has been taken up to 25th June, 2026.

No weightage has been assigned to the Asset Approach / NAV Method for either IPCA or KREBS. In the case of IPCA, being a mature and profitable operating business, its value is primarily driven by its earnings and cash flow generating capabilities rather than its underlying net assets. In the case of KREBS, the Company has incurred operating losses in recent years and the NAV Method does not adequately capture its future business prospects, expected synergies and earnings potential as a going concern. Accordingly, the NAV Method has not been considered appropriate for determining the fair value of the equity shares of either Company.

The determination of a Share Exchange Ratio is not precise science and the conclusions arrived at are of necessity, subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single share swap ratio or equity value estimate.

We have provided our recommendation based on the information available as at the Valuation Date and within the scope and constraints of this Engagement; others may have a different opinion as to the same.

NATARAJA NANJUNDAIAH
REG NO. IBBI/RV/05/2021/13991
REGISTERED VALUER- SFA, BANGALORE

6. CONCLUSION

In our opinion, and based on the analysis carried out and subject to the assumptions, limitations and qualifications contained herein, the following share swap ratio is fair and reasonable from a valuation perspective for the Proposed Transaction:

7 equity shares of IPCA for every 200 equity shares of KREBS.

Respectfully Submitted,

Nataraja Nanjundaiah
Registered Valuer-SFA
Registration No. **IBBI/RV/05/2021/13891**
Asset Class: Securities or Financial Assets
UDIN: 2625023ZZ8XSBRVXOY

Date: 26th June 2026
Place: Bangalore