

REPORT ADOPTED AND RECOMMENDED BY THE COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") OF DR. AGARWAL'S EYE HOSPITAL LIMITED ("COMPANY" OR "TRANSFEROR COMPANY") AT ITS MEETING HELD ON AUGUST 26, 2025, ON THE DRAFT SCHEME OF AMALGAMATION AMONGST THE COMPANY, DR. AGARWAL'S HEALTH CARE LIMITED ("TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This report is considered and approved by the Independent Directors of the Company at the meeting held on August 26, 2025 at 3rd Floor, Buhari Towers, No.4 Moores Road, Off Greams Road, near Asan Memorial School, Chennai – 600006.

The committee unanimously elected Ms. Latha Ramanathan as the Chairperson of the meeting. Thereafter, Ms. Latha Ramanathan took the chair and presided over the meeting.

1. Background

- 1.1. The proposed scheme of amalgamation provides for the merger by absorption of the Company into and with Dr. Agarwal's Health Care Limited ("**Transferee Company**", together with the Company, "**Companies**") 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 ("**SEBI LODR Regulations**"), 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 August 26, 2025, for its consideration and making recommendation to the Board of Directors of the Company.
- 1.2. In terms of Para A(2)(i), Part I 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:
 - (i) Draft Scheme, duly initialled by Company Secretary of the Company for the purpose of identification;
 - (ii) Independent joint valuation report dated August 26, 2025 ("**Valuation Report**") issued by Bansi S Mehta Valuers LLP (IBBI Registration Number: IBBI/RV-E/06/2022/172) and PwC Business Consulting Services LLP (IBBI Registration Number: IBBI/RV-E/02/2022/158), describing *inter alia*, the methodologies adopted by them in arriving at the recommended Share Exchange Ratio (*as defined below*);
 - (iii) Fairness Opinion dated August 26, 2025 ("**Fairness Opinion**") issued by Motilal Oswal Investment Advisors Limited, an independent SEBI registered Category-I Merchant Banker (SEBI Registration Number: INM000011005), providing fairness opinion on the Share Exchange Ratio as recommended in the Valuation Report;

- (iv) Draft Auditors Certificate ("**Auditors' Certificate**") issued by Deloitte Haskins & Sells, the statutory auditors of the Company (Firm Registration Number: 0080725) 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
- (v) 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

The Scheme, amongst others, contemplates the following arrangements (capitalised terms used and not defined herein shall have the meanings ascribed 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) Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company into the Transferee Company in terms of the Scheme, the Transferee Company shall issue and allot to the equity shareholders of the Transferor Company whose names appears: (i) in the register of members of the Transferor Company; and/or (ii) as the beneficial owner of the Transferor Company in the record of the depositories, 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 Transferee 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 2 Transferor Company Shares, 23 Transferee Company Shares to be issued to the shareholders of the Transferor Company as of the Record Date, as recommended in the Valuation Reports and supported by the Fairness Opinions." ("Share Exchange Ratio")

The Consideration Shares shall be listed on the Stock Exchanges;

- (c) Pursuant to the sanction of the Scheme by the Hon'ble National Company Law Tribunal (NCLT) and upon fulfilment of conditions for the Scheme, the Scheme shall become effective from the opening hours of the first day of the calendar month immediately following the calendar month in which all of the conditions precedent set forth in the Scheme are fulfilled ("**Effective Date**"). The 'Appointed Date' for the Scheme shall mean opening of business on April 01, 2026, or such other date as may be fixed or approved by the Tribunal;
- (d) 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;
- (e) As an integral part of the Scheme and upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the authorised share capital of the Transferor Company shall be reclassified / reorganised such that 2,00,00,000 Equity Shares of INR 10/-

(Indian Rupees Ten) each of the Transferor Company shall stand reclassified / reorganized as 20,00,00,000 Equity Shares of INR 1/- (Indian Rupees One) each;

- (f) Upon the Scheme coming effect on the Effective Date and with effect from the Appointed Date, and pursuant to the reclassification and reorganization of the resultant authorized share capital of the Transferor Company as stated above, the entire authorized share capital of the Transferor Company shall be transferred to the authorized share capital of the Transferee Company without any further act, deed or instrument;
 - (g) All the shares held by the Transferee Company in the Transferor Company as on the Effective Date shall stand cancelled without any further application, act or deed;
 - (h) The Transferee Company Stock Options granted by the Transferee Company to the employees of the Transferor Company under the Transferee Company Option Scheme, which have either vested or remain unvested and have not been exercised as on the Effective Date, shall continue to remain vested or unvested, as the case may be, in accordance with their existing terms and conditions as applicable immediately prior to the Effective Date, and shall continue to be held by the eligible employees of the Transferor Company upon the Scheme becoming effective, subject to and in accordance with the terms of the Transferee Company Option Scheme;
 - (i) On the coming into effect of the Scheme, the Transferor Company shall stand dissolved without being wound-up; and
 - (j) The effectiveness of the Scheme is conditional upon fulfilment of the 'Conditions Precedent' as specified in the Scheme, which include:
 - (i) The receipt of no-objection letters by the Transferee Company and the Transferor Company from the Stock Exchanges in accordance with the Listing Regulations and the SEBI Circular in respect of the Scheme (prior to filing the Scheme with the Tribunal);
 - (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;
 - (c) the votes cast by the public shareholders of the Transferor Company in favour of the Scheme being more than the number of votes cast by the public shareholders of the Transferor 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, 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 Companies having filed the certified copies of the order of the Tribunal sanctioning the Scheme with the ROC within the statutory timelines; and
- (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.

3. Need and rationale for the Scheme

- 3.1. The amalgamation will result in the consolidation of the business of the Companies into a single entity and will *inter alia* result in the following benefits:

Operational and financial efficiencies:

- (i) integration of operations leading to more efficient and economical management of the business;
- (ii) streamlined functions, standardized protocols, enhanced operational, organizational and financial efficiencies and transparency, and achieving economies of scale by pooling of resources;

Integrated Capital Allocation for Stronger Growth:

- (i) a unified capital structure will allow for a more efficient allocation of capital and resources, and will also enable prioritization of strategic investments;
- (ii) more efficient management of working capital and cash flows by optimizing the use of existing cash balances and providing unrestricted access to combined cash resources, which can be strategically deployed for growth and continued operations;

Simplified Legal, Regulatory and Governance Framework:

- (i) dedicated, specialized management focus on a single entity, fostering agility and enabling strategic alignment;
- (ii) consolidation of administrative and managerial functions and elimination of multiple record-keeping, *inter alia* other expenditures and optimal utilization of resources;

Shareholder Value Creation:

- (i) accretion in terms of earnings per share from the first year of the implementation of the Scheme that will benefit all the stakeholders of AHCL and AEHL, leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders;
- (i) alignment of interest of all stakeholders of both the Companies and streamlining of the corporate structure.

- 3.2. Further, the Transferee Company was listed on the BSE Limited and the National Stock Exchange of India Ltd. (“**Stock Exchanges**”) on February 4, 2025, pursuant to an initial public offering of its Equity Shares. In its prospectus dated January 31, 2025, the Transferee Company disclosed its intention to explore a potential merger with the Transferor Company within three (3) years from the date of listing, subject to receipt of requisite approvals, prevailing market conditions, and assessment of business synergies, in furtherance of which, the Transferee Company and the Transferor Company are entering into this Scheme of amalgamation.

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

- 4.1. 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 merged entity *inter-alia* will bring together significant complementarities that exist between both the entities and is poised to create meaningful value for various stakeholders, including respective customers, employees, and shareholders of both the entities.
- 4.3. The Transferee Company will issue and allot equity shares, credited as fully paid-up to the shareholders of the Transferor Company, in the manner as set out in paragraph 3 above, and in accordance with the recommendations under the Valuation Report and the Fairness Opinion. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- 4.4. Accordingly, there will be no detrimental impact on the shareholders of the Company due to the proposed Scheme.

5. Recommendation of the Committee

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 draft 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, BSE Limited, SEBI and other statutory/regulatory authorities including Hon’ble National Company Law Tribunal.

For and on behalf of the Committee of the Independent Directors of Dr. Agarwal’s Eye Hospital Limited



Latha Ramanathan

Designation: Independent Director and Chairperson of Independent Directors Committee

DIN: 07099052

Date: August 26, 2025

Place: Chennai