

The Shareholders of Indoco Remedies Ltd. Approve the Merger Proposal

June 18, 2007

Mumbai, 18th June, 2007: The shareholders of Indoco Remedies Limited today gave their nod at the court convened meeting of equity shareholders to approve the Composite Scheme of Merger and Demerger.

As per the Composite scheme, La Nova Chem {India} Private Limited, the present wholly owned subsidiary of Indoco Remedies will merge with its holding company and the Pharmaceutical Division of SPA Pharmaceuticals will be demerged from it to merge with Indoco Remedies Limited.

Upon the Scheme coming into effect the shareholders of SPA Pharmaceuticals will be entitled for 3 equity shares in Indoco Remedies Limited for every four equity shares held by them.

The Composite Scheme has been devised to achieve synergy in terms of administration costs, flexibility of operations etc. The stakeholders would benefit by having a larger asset base and increased capacities with scope for future expansion.

It is expected that post merger the domestic as well as international business of the combined company would be able to leverage its position from APIs and exports businesses.

The Scheme now awaits approval of the Hon'ble High court of Bombay before being implemented from the "Appointed Day".