

Report Date: November 18, 2024

To,

**The Audit Committee/The Board of Directors,
Themis Medicare Limited,**

Plot No 69-A, GIDC Ind Estate, Dist.- Valsad,
Vapi, Gujarat, India, 396195

Dear Sir/Ma'am,

Subject: Fairness opinion to the Board of Directors of Themis Medicare Limited on the recommendation of fair equity share exchange ratio for the proposed amalgamation of Gujarat Themis Biosyn Limited with Themis Medicare Limited

We refer to our discussion undertaken with the Management of Themis Medicare Limited (*hereinafter referred to as "TML" or "Amalgamated Company"*) wherein the Management of TML has appointed Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 (*hereinafter referred to as "Kunvarji" or "We" or "Us" or "Our"*) vide engagement letter dated November 12, 2024 to provide a fairness opinion on the fair equity share exchange ratio for the proposed amalgamation of Gujarat Themis Biosyn Limited (*hereinafter referred to as "GTBL" or "Amalgamating Company"*) with and into Themis Medicare Limited with effect from the Appointed Date as defined in the Scheme (*hereinafter referred to as the "Proposed Amalgamation" or "Proposed Transaction"*) as recommended by SSPA & Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets and GT Valuation Advisors Private Limited, Registered Valuer – Securities and Financial Assets (*hereinafter referred to as the "Independent Valuers"*) vide report dated November 18, 2024.

Hereinafter the Management including the Board of Directors of TML shall be referred to as the "Management"; Amalgamating Company and Amalgamated Company shall collectively be referred to as "Transacting Companies".

Please find enclosed our deliverables in the form of a report (*the "Report"*). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the equity share exchange ratio for the aforesaid Proposed Amalgamation recommended by the Independent Valuers.

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This Report is subject to the scope, assumptions, 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 therein.

This Report has been issued only to facilitate the Proposed Amalgamation and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)

Place: Ahmedabad
Date: November 18, 2024

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1. BACKGROUND OF THE TRANSACTING COMPANIES

❖ Gujarat Themis Biosyn Limited (Amalgamating Company)

Gujarat Themis Biosyn Limited is a public company, limited by shares, incorporated on December 11, 1981, under the provisions of the Companies Act, 1956 on having CIN L24230GJ1981PLC004878 and its registered office at Plot No. 69A, G.I.D.C. Industrial Estate, Vapi, Valsad, Gujarat, India - 396195. The equity shares of the Amalgamating Company are listed on BSE Limited.

The Amalgamating Company is principally engaged in the business of manufacturing and sale of active pharmaceutical ingredients. GTBL has state of the art manufacturing facilities in India at Vapi.

The summary of the equity shareholding pattern of GTBL as on September 30, 2024 is as under:

Sr. No.	Category of the Shareholder	No. of shares held (FV – INR 1 each)	Shareholding (%)
1	Promoter & Promoter Group	7,72,18,083	70.86%
2	Public	3,17,47,182	29.14%
Total		10,89,65,265	100.00%

(Source: www.bseindia.com)

❖ Themis Medicare Limited (Amalgamated Company)

Themis Medicare Limited (Client) is a public company, limited by shares, incorporated on May 31, 1969, under the provisions of the Companies Act, 1956 bearing corporate identification number ("CIN") L24110GJ1969PLC001590 and having its registered office Plot No. 69A, G.I.D.C. Industrial Estate, Vapi, Valsad, Gujarat, India - 396195. The equity shares of the Amalgamated Company are listed on BSE Limited and the National Stock Exchange of India Limited. TML holds a 23.19% stake in GTBL.

The Amalgamated Company is principally engaged in manufacturing of formulations and of active pharmaceutical ingredient. It has state of the art manufacturing facilities in India at Haridwar, Vapi and Hyderabad.



The summary of the equity shareholding pattern of TML as on the September 30, 2024 is as under:

Sr. No.	Category of the Shareholder	No. of shares held (FV – INR 1 each)	Shareholding (%)
1	Promoter & Promoter Group	6,18,03,990	67.15%
2	Public	3,02,36,130	32.85%
Total		9,20,40,120	100.00%

(Source: www.bseindia.com)

In addition to above, TML has 2,00,000 Employee Stock Options (“ESOPs”) outstanding as at September 30, 2024.

2. TRANSACTION OVERVIEW, RATIONALE OF THE SCHEME & SCOPE OF SERVICES

❖ Transaction Overview

We understand that the Management of the Transacting Companies are contemplating a scheme of amalgamation, wherein they intend to amalgamate GTBL with and into TML in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with effect from the Appointed Date and in a manner provided in the draft scheme of amalgamation (*hereinafter referred to as 'the Scheme'*).

We understand that as consideration for the Proposed Amalgamation of GTBL with and into TML, equity shareholders of GTBL would be issued equity shares of TML. Further, the existing equity shares of GTBL held by TML would stand cancelled following the issuance of shares of TML. The equity shares of TML to be issued for the aforesaid Proposed Amalgamation will be based on the fair equity share exchange ratio as determined by the Board of Directors based on the fair equity share exchange ratio report prepared by the Independent Valuers appointed by them.

❖ Rationale of the Scheme

The Amalgamating Company and the Amalgamated Company are part of the same group. Both entities are engaged in the businesses of manufacturing and distribution of pharmaceutical products. The proposed amalgamation of the Amalgamating Company with the Amalgamated Company in accordance with this Scheme would enable realisation of the following benefits:

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- combination and optimal utilisation by pooling of resources and deriving operating efficiencies;
- ability to cross-sell products through the respective distribution channels;
- integration of the entire product life cycle under a consolidated entity;
- consolidation of the business, leading to synergies of operations and resulting in the expansion and long-term sustainable growth, which will enhance value for various stakeholders concerned;
- efficient utilization of capital for enhanced development and growth of the consolidated business under a single entity;
- elimination of multiple entities, legal and regulatory compliances and reduction in administrative costs apart from creating better transparency;
- combination of research and development activities; and
- strengthening financial position of consolidated entity which shall have combined turnover, networth and profitability, enabling efficient raising of funds in the form of equity/ debt.

(Source: Scheme of Amalgamation)

❖ **Scope of Services**

Pursuant to the requirements of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the fair equity share exchange ratio for the Proposed Amalgamation.

In this regard, the Management has appointed Kunvarji Finstock Private Limited, a Category I Merchant Banker registered with SEBI having Registration Number – INM000012564 to provide a fairness opinion on the equity share exchange ratio for the Proposed Amalgamation recommended by the Independent Valuers vide report dated November 18, 2024.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Independent Valuers on the fair equity share exchange ratio arrived at for the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, 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.

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3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management obtained from the public domain for this report:

- Annual Reports of TML and GTBL for the financial year ended March 31, 2021 to March 31, 2024;
- Audited standalone & consolidated financial statements of TML for the six months period ended September 30, 2024.
- Audited financial statements of GTBL for the six months period ended September 30, 2024.
- Audited financial statements of Richter Themis Medicare (India) Private Limited (RTMIPL) for year ended March 31, 2022 to March 31, 2024;
- Provisional financial statements of RTMIPL for the six months period ended September 30, 2024.
- Audited financial statements of Themis Chemicals Private Limited, Carpo Medical Limited, Artemis Biotech Limited, Dr. Themis Private Limited and Long Island Nutritionals Private Limited for the year ended March 31, 2024.
- Financial projections of TML, GTBL and RTMIPL for six months period ending March 31, 2025 and for financial years 2025-26 to FY 2028-29.
- Shareholding pattern of TML and GTBL as at the Report Date;
- Draft Scheme of Amalgamation for the Proposed Amalgamation;
- Market Price of TML and GTBL as published by NSE and BSE;
- Signed fair equity share exchange ratio report issued and prepared by SSPA & Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets and GT Valuation Advisors Private Limited, Registered Valuer – Securities and Financial Assets vide report dated November 18, 2024;
- Relevant data and information provided by management either in written or oral form or in the form of soft copy; and discussions with representatives of the Company.

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided.



4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Discussion with the Management to understand the business and the fundamental factors that affect its earning generating capability of Transacting Companies including strength, weakness, opportunity and threat analysis and historical financial performance;
- Analysis of information shared by Management;
- Undertook Industry Analysis: Research publicly available market data including economic factors and industry trends that may impact the opinion;
- Requested and received financial and qualitative information and obtained data available in the public domain;
- Reviewed the draft scheme of amalgamation between the Transacting Companies pursuant to which the Proposed Amalgamation is to be undertaken;
- Reviewed the signed fair equity share exchange ratio report issued and prepared by SSPA & Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets and GT Valuation Advisors Private Limited, Registered Valuer – Securities and Financial Assets vide report dated November 18, 2024;
- Discussion with an Independent Valuers on such matters which we believed were necessary or appropriate for issuing this opinion.

5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date.
- We have no obligation to update this report. This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed upon as per the terms of our engagement; (ii) the Report Date; (iii) the draft scheme of amalgamation and (iv) other data detailed in the Section 3 of this report "*Sources of Information*".
- A fairness opinion 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 fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Transacting Companies and gathered from the public domain

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(and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to make a buy or sell decision for which a specific opinion needs to be taken from expert advisors.

- We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.
- It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transacting Companies to facilitate Transacting Companies to comply with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended from time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.
- The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Transacting Companies will be managed competently and responsibly. Further, this Report has not considered matters of a legal nature, including issues of legal title and compliance with local laws, litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the Transacting Companies, reflected in their respective balance sheet remain intact as of the Report date.
- The Report 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.
- This fairness opinion is issued on the understanding that each of the Transacting Companies has drawn our attention to all the matters which may have an impact on our opinion including any significant changes that have taken place or are likely to take place in the financial position or businesses up to the date of approval of the Scheme by the Board of Directors. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

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- Certain terms of the Proposed Transaction are stated in our fairness opinion, however the detailed terms of the Proposed Transaction shall be more fully described and explained in the Scheme document to be submitted to relevant authorities in relation to the Proposed Transaction. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.
- The fee for the engagement is not contingent upon the results reported.
- We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Transacting Companies, their directors, employees or agents.
- This report is not a substitute for the third party's due diligence/appraisal/inquiries/independent advice that the third party should undertake for his purpose.
- This Report is subject to the laws of India.
- 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 scheme of amalgamation and filing it with relevant authorities, without our prior written consent.
- In addition, this report does not in any manner address the prices at which equity shares of TML and GTBL will trade following the announcement of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of Transacting Companies should vote at any shareholder's meeting(s) to be held in connection with the Proposed Transaction. Our opinion contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.
- The Merchant Banker - Kunvarji, is also engaged in providing services as a Stock Broker, Depository Participant and Portfolio Manager in its name and as an Investment Adviser in the name of its subsidiary. Apart from this, Kunvarji, its directors, promoters, employees, affiliates and associates, are engaged in investing/ trading in the securities market on their respective accounts. The Merchant Banking Division of Kunvarji takes utmost care, through the effective implementation of principles of maintenance of the Chinese wall, to ensure that no information received by the Merchant Banking Division is not shared with or otherwise accessible to other departments of Kunvarji, and/or its promoters, directors, employees (other than employees of Merchant Banking Division), affiliates and associates. The proprietary trading account of Kunvarji and /or its promoters, directors, employees, affiliates, associates and clients of broking, PMS services and Investment Advisory services



may execute transactions and/or hold open long or short positions in the ordinary course of business in the securities issued by a listed company who itself or its affiliate or associate entity proposes to engage Merchant Banking Division of Kunvarji for providing services to itself or its associate or affiliate company.

5. OUR RECOMMENDATION

As stated in the equity share exchange ratio report dated November 18, 2024 jointly prepared by SSPA & Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets and GT Valuation Advisors Private Limited, Registered Valuer – Securities and Financial Assets, Independent Valuers have recommended the following:

"118 (One Hundred and Eighteen) fully paid-up equity shares having a face value of INR 1 (One) each of the Amalgamated Company shall be issued and allotted for every 100 (One Hundred) fully paid-up equity shares having a face value of INR 1 (One) each held in the Amalgamating Company".

The aforesaid Proposed Transaction shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the Hon'ble NCLT, Ahmedabad Bench or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the Proposed Transaction are more fully outlined in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the Proposed Transaction.

Based on the information, and data made available to us, to the best of our knowledge and belief, the share exchange ratio as recommended by SSPA & Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets and GT Valuation Advisors Private Limited, Registered Valuer – Securities and Financial Assets in relation to the proposed draft scheme of amalgamation is ***fair*** to the equity shareholders of TML in our opinion.

For, Kunvarji Finstock Private Limited



Mr. Atul Chokshi
Director (DIN: 00929553)

Date: November 18, 2024
Place: Ahmedabad

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