SSPA & CO., Chartered Accountants Registered Valuer Registration No. IBBI/RV-E/06/2020/126 1st Floor, 'Arjun', Plot No. 6A, V.P. Road, Andheri (West), Mumbai – 400058, Maharashtra, India	**GT Valuation Advisors Private limited** Registered Valuer Registration No. IBBI/RV-E/05/2020/134 16th Floor, Tower III, One International Centre, Senapati Bapat Marg Prabhadevi (West), Mumbai - 400013 Maharashtra, India

Dated: November 18, 2024

To,

The Audit committee / Board of Directors **Themis Medicare Limited** Plot No 69-A, GIDC Industrial Estate, Vapi - 396 195, Valsad, Gujarat.	**The Audit committee / Board of Directors** **Gujarat Themis Biosyn Limited** Plot No 69-C, GIDC Industrial Estate, Vapi - 396 195, Valsad, Gujarat.

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Gujarat Themis Biosyn Limited with Themis Medicare Limited

Dear Sir / Madam,

We refer to respective engagement letters of SSPA & Co., Chartered Accountants ("SSPA") and GT Valuation Advisors Private limited ("GTVAPL"), whereby SSPA & GTVAPL have been appointed on November 09, 2024 and November 07, 2024 respectively by Themis Medicare Limited ("TML" or "Transferee Company") and Gujarat Themis Biosyn Limited ("GTBL" or "Transferor Company") for recommendation of fair equity share exchange ratio for the proposed amalgamation of GTBL with TML on a going concern basis ("Proposed Amalgamation"), as more particularly provided for in the scheme of amalgamation ("Scheme").

TML and GTBL are hereinafter jointly referred to as "Companies" or "Clients" and individually referred to as "Company", as the context may require.

SSPA and GTVAPL are hereinafter jointly referred to as "Valuers" or "we" or "us" in this report.

Upon the amalgamation of GTBL with TML, shareholders of GTBL will be issued shares of TML as a consideration. Since TML is one of the shareholders of GTBL, equity shares of TML will be issued only to the remaining shareholders of GTBL.

The Fair Equity Share Exchange Ratio for this report refers to number of equity shares of TML which would be issued and allotted to the equity shareholders of GTBL pursuant to Proposed Amalgamation.

Our deliverable for this engagement would be a joint report recommending Fair Equity Share Exchange Ratio for the Proposed Amalgamation ("Report") with November 17, 2024, being the Valuation Date.

For the purpose of this valuation, the bases of value is 'Relative Value' and the valuation is based on 'Going Concern' premise.

SCOPE AND PURPOSE OF THIS REPORT

TML, incorporated on May 31, 1969, has its registered office located at Plot No. 69A, G.I.D.C. Industrial Estate, Vapi – 396195, Valsad, Gujarat. TML is engaged in manufacturing of formulations and of active pharmaceutical ingredient ("APIs"). TML has state of the art manufacturing facilities in India at Haridwar, Vapi and Hyderabad. The equity shares of TML are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). As of the Valuation Date, TML holds a 23.19% stake in GTBL.

As on the Valuation Date, TML holds investments in the following companies:

Name of the Investee Company	Relation	No. of shares held	% stake
Themis Chemicals Private Limited ("TCPL")*	Subsidiary	10,000	100.00%
Carpo Medical Limited ("CML")*	Subsidiary	1,000	100.00%
Artemis Biotech Limited ("ABL")*	Subsidiary	47,500	95.00%
Dr. Themis Private Limited ("DTPL")*	Subsidiary	10,000	100.00%
Long Island Nutritionals Private Limited ("LINPL")*	Associate	26,208	37.14%
Gujarat Themis Biosyn Limited ("GTBL")	Associate	2,52,72,037	23.19%
Richter Themis Medicare (India) Private Limited ("RTMIPL")	Joint venture	68,60,000	49.00%

* *As informed by the management of TML, as on the Valuation Date, TCPL, CML, ABL, DTPL and LINPL does not have any business operations.*

GTBL, incorporated on December 11, 1981, has its registered office located at Plot No. 69C, G.I.D.C. Industrial Estate, Vapi – 396195, Valsad, Gujarat. GTBL is in the business of manufacturing and sale of active pharmaceutical ingredients. GTBL has state of the art manufacturing facilities in India at Vapi. The equity shares of GTBL are listed on BSE.

We understand that the management of the Companies (hereinafter collectively referred to as "the Management") are contemplating a merger of GTBL with TML through a Scheme of Amalgamation under the provisions of Sections 230-232 and the other applicable provisions of the Companies Act, 2013.

As per the Scheme, the shareholders of GTBL will be issued and allotted equity shares of TML as a consideration for Proposed Amalgamation. Further, the existing equity shares of GTBL held by TML would stand cancelled following the issuance of shares of TML.

In this connection, the Board of Directors of TML and of GTBL have appointed SSPA and GTVAPL, the Registered Valuers, to submit a joint report recommending the Fair Equity Share Exchange Ratio to Audit Committee & Board of Directors of the Companies, for the Proposed Amalgamation. Accordingly, this Report is in compliance with the regulatory requirements for the purpose of the Proposed Amalgamation.

We would like to emphasize that certain terms of the Proposed Amalgamation are stated in our report, however the detailed terms of the Proposed Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

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We understand that the appointed date for the Proposed Amalgamation as per the Scheme shall be April 01, 2025.

The scope of our services is to conduct a valuation of equity shares of the Companies on a relative basis (and not absolute) and recommend Fair Equity Share Exchange Ratio for the Proposed Amalgamation, using internationally / well accepted valuation methodologies as may be applicable, and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India.

The Valuers have worked independently in their analysis. The Valuers have independently arrived at different values per share of the Companies. However, to arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, appropriate minor adjustments/rounding off have been done in the values arrived at by the Valuers.

We have been provided with the audited financials of TML and of GTBL for the six months ended September 30, 2024. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Companies have been disclosed to us.

We have been informed by the Management that:

a) there would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective, except issuance of Employee Stock Options in normal course of the business of the Companies. In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Amalgamation becomes effective, the issue of shares pursuant to the Fair Equity Share Exchange Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

b) till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.

c) there are no unusual/abnormal events in the Companies materially impacting their operations/financial position after September 30, 2024 till the Report date.

d) There would be no significant variation between the draft Scheme and final Scheme approved and submitted with the relevant authorities which may have impact on the Equity Share Exchange Ratio recommended in this report.

We have relied on the above while arriving at the Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

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.

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BACKGROUND OF VALUERS

SSPA & CO., CHARTERED ACCOUNTANTS

SSPA is a partnership firm, located at 1st Floor, 'Arjun', Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.

We are a firm of practising Chartered Accountants registered with The Institute of Chartered Accountants of India ("ICAI"). We are also registered with the Insolvency and Bankruptcy Board of India ("IBBI"), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

GT VALUATION ADVISORS PRIVATE LIMITED

GT Valuation Advisors Private limited is a Registered Valuer entity under IBBI having Registration No IBBI/RV-E/05/2020/134, GTVAPL holds certificate of practice with RVO ICMAI to value Securities and Financial Assets and Plant and Machinery.

Darshana Kadakia is a Director in GTVAPL and is a registered valuer with IBBI. The valuer registered with IBBI to undertake valuation under asset class Securities and Financial Assets and holds certificate of practice as a Valuer.

SOURCES OF INFORMATION / MAJOR FACTORS THAT WERE TAKEN INTO ACCOUNT DURING THE VALUATION

In connection with this exercise, we have received/obtained the following information about the Companies from the Management:

- Draft Scheme of Amalgamation for the Proposed Amalgamation.
- Annual reports of TML and of GTBL for financial years 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.
- Provisional financial statements of RTMIPL for the six months period ended September 30, 2024.
- Audited financial statements of RTMIPL for years ended March 31, 2023 and March 31, 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 (comprising of profit and loss statement and balance sheet) for six months period ending March 31, 2025 and for financial years ("FY") 2025-26 to FY 2028-29.
- Number of equity shares of the Companies, their subsidiaries, associates and joint venture as on the Valuation Date on a fully diluted basis.
- Details of employee stock options granted and outstanding as on the Report Date for TML;
- Other relevant information and documents for the purpose of this engagement provided through emails or hard copy of documents or during discussion.

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In addition, we have obtained information from public sources/ proprietary databases including quarterly results.

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 Clients have been provided with the opportunity to review the draft report (excluding the recommended Fair Equity Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

We have been informed that Kunvarji Finstock Private Limited has been appointed by TML and KJMC Corporate Advisors (India) Limited has been appointed by GTBL (individually or together referred to as "Fairness Team") to provide fairness opinion on the fair equity share exchange ratio for the purpose of the Proposed Amalgamation. Further, at the request of the Companies we have had discussions with the Fairness team in respect of our respective valuation analysis.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

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

- Requested and received financial and qualitative information, and clarifications regarding past financial performance of the Companies, their subsidiaries, associates and joint venture, if any.
- Considered data available in public domain related to the Companies, their subsidiaries, associates and joint venture if any, and its peers.
- Discussions (physical/over call) with the Management to:
    - Understand the business and fundamental factors that affect its earning-generating capability and historical financial performance of the Companies, their subsidiaries, associates and joint venture, as available in public domain.
    - Understand the assumptions and the basis of key assumption used by the Management in developing projections.
- Identification of suitable comparable companies.
- Undertook Industry Analysis:
    - Researched publicly available market data including economic factors and industry trends that may impact the valuation.
    - Analysed key trends and valuation multiples of comparable companies using proprietary databases subscribed by us or our network firms.
- Obtained and analysed market prices, volume data and other relevant information for TML and GTBL.
- Selected internationally / well accepted valuation methodology/(ies) as considered appropriate by us.
- Arrived at valuation of Companies in order to conclude our analysis on Fair Equity Share Exchange Ratio for the Proposed Amalgamation.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This report is subject to the limitations detailed in the respective engagement letters. 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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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 or our affiliates.
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 valuation 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 use of 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.

The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the Management/ Board of Directors of the Companies and the work, and the findings shall not constitute recommendation as to whether or not the Management / the Board of Directors of the Company should carry out the Proposed Amalgamation.

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 Client's 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 valuation agreed as per the terms of our engagement; (ii) the Report Date; (iii) audited financials of TML and of GTBL for six months ended September 30, 2024; and (iv) Financial projections as provided by the Management for TML and GTBL (v) market price of the underlying equity shares of TML and GTBL; (iv) other information obtained by us from time to time and data detailed in the Section- Sources of Information . We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between September 30, 2024 and the Report date and that no material changes have occurred in their respective operations and financial position between September 30, 2024 and the Report date.

We have assumed and relied upon, without independently verifying (i) the accuracy of the information that was publicly available, sourced from subscribed databases; and (ii) the accuracy of information made available to us by the Companies; both of which formed a substantial basis for this Report.

An analysis of such 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.

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 part of the Clients or Companies, their directors, employees or agents.

The Clients/owners and its management/representatives warranted 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 management and other third parties, if any, concerning the

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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, employee or agents.
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. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its 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 Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

Our valuation is based on the estimates of future financial projections of the Companies as projected by the respective managements, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operates. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.

The valuation analysis and result are governed by 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 fee for the engagement is not contingent upon the results reported.

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 does not in any manner address the price at which equity share of TML and GTBL shall trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. Our report and opinion/valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. Any person/ party intending to provide finance/ divest/ 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 Client) chooses to

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place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

The Valuers will owe the responsibility only to the Board of Directors of the Companies who have been appointed under the terms of their respective engagement letters. 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.

DISCLOSURE OF RV (VALUERS) INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation, as of the date of the engagement letter till the Report date. We further state that we are not related to the Company or their promoters or their directors or their relatives.

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

SHAREHOLDING PATTERN

Themis Medicare Limited

The issued and subscribed equity share capital of TML as of September 30, 2024 is INR 9.20 cr consisting of 9,20,40,120 equity shares of face value of INR 1/- each.

The shareholding pattern is as follows:

Shareholding pattern as on September 30, 2024	No. of Shares	% Shareholding
Promoter & Promoter Group	6,18,03,990	67.15%
Public	3,02,36,130	32.85%
Grand Total	**9,20,40,120**	**100.00%**

Source: www.bseindia.com accessed on November 17, 2024

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

Gujarat Themis Biosyn Limited

The issued and subscribed equity share capital of GTBL as of September 30, 2024 is INR 10.90 cr consisting of 10,89,65,265 equity shares of face value of INR 1/- each.

The shareholding pattern is as follows:

Shareholding pattern as on September 30, 2024	No. of Shares	% Shareholding
Promoter & Promoter Group	7,72,18,083	70.86%
Public	3,17,47,182	29.14%
Grand Total	**10,89,65,265**	**100.00%**

Source: www.bseindia.com accessed on November 17, 2024

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APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

The Scheme of Amalgamation contemplates the merger of GTBL with TML. Arriving at the fair equity share exchange ratio for the Proposed Amalgamation would require determining the value of equity shares of TML and of GTBL 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 Amalgamation.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for mergers and our reasonable judgment, in an independent and bona fide manner.

The valuation approach adopted by SSPA and GTVAPL is given in Annexure 1A and 1B respectively (Annexure 1A and 1B together referred to as Annexures).

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The basis of the transaction of TML and GTBL would have to be determined after taking into consideration all the factors and methods mentioned herein after. Though different values have been arrived at under each of the approaches / methods as mentioned in the Annexures, for the purpose of recommending the Fair Equity Share Exchange Ratio it is necessary to arrive at a final value for each company. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach / method.

The Fair Equity Share Exchange Ratio has been arrived at on the basis of value of equity shares of the Companies based on the various approaches/methods explained herein after considering various qualitative factors relevant to each company, business dynamics and growth potentials of the businesses of the Companies, information base and key underlying assumptions and limitations.

While we have provided our recommendation of the Fair Equity Share Exchange Ratio 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 Fair Equity Share Exchange Ratio. The final responsibility for the determination of the Fair Equity Share Exchange Ratio at which the Proposed Amalgamation 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 Amalgamation 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 TML and of GTBL. To arrive at the consensus on the Fair Equity Share Exchange Ratio for the Proposed Amalgamation, suitable minor adjustments / rounding off have been done.

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CONCLUSION

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Fair Equity Share Exchange Ratio for the Proposed Amalgamation of GTBL with TML:

118 (One Hundred and Eighteen) equity shares of TML of INR 1/- each fully paid up for every 100 (One Hundred) equity shares of GTBL of INR 1/- each fully paid up.

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 Amalgamation.

Respectfully submitted, **For SSPA & Co., Chartered Accountants** Registered Valuer ICAI Firm Registration Number: 128851W Registration No. IBBI/RV-E/06/2020/126 S.A.Shah SSPA & CO. ★ CHARTERED ACCOUNTANTS ★ REGISTERED VALUER **Sujal Shah** Partner ICAI Membership No.: 045816 IBBI Membership No.: IBBI/RV/06/2018/10140 UDIN: 24045816BKAGYO8248 Place: Mumbai Date: November 18, 2024	Respectfully submitted, **For GT Valuation Advisors Private Limited** Registered Valuer Registration No. IBBI/RV-E/05/2020/134 GT VALUATION ADVISORS PVT. LTD. ★ MUMBAI **Darshana Kadakia** Director IBBI Membership No.: IBBI/RV/05/2022/14711 Place: Mumbai Date: November 18, 2024

Annexure 1A - Approach to Valuation – SSPA

Bases and Premise of Valuation

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI Valuation Standards, 2018('ICAI VS') considering 'relative value' base and 'going concern value' premise. Any change in the valuation base, or the valuation premise could have a significant impact on the valuation outcome of the Companies.

The following are commonly used and accepted methods for determining the value of the equity shares of a company:

1. Cost Approach – Net Asset Value Method
2. Income Approach – Discounted Cash Flow Method
3. Market Approach:
   a) Market Price Method
   b) Comparable Companies' Multiple Method
   c) Comparable Transaction Multiple Method

Each of the aforesaid approaches proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance, to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be judiciously chosen.

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of equity shares of the Companies for the purpose of recommending fair equity share exchange ratio to the extent relevant and applicable:

1. **Cost Approach**
   The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

   In the present case, the business of TML and of GTBL are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost Approach is not adopted for the present valuation exercise .

2. **Income Approach**
   Under the Income Approach, equity shares of TML and of GTBL are valued using Discounted Cash Flow ("DCF") Method.

   Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital ("WACC"). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

   The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to earnings before tax (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge), and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the respective Companies.

To the value so arrived, appropriate adjustments (as may be applicable) have been made for contingent liabilities, loan funds, cash and cash equivalents, value of investments, value of surplus assets, cash inflow on account of exercise of Employee Stock Options ("ESOP's") and inter corporate deposits, after considering the tax impact wherever applicable, to arrive at the equity value of TML and of GTBL.

The equity value as arrived above is divided by the diluted/ outstanding number of equity shares to arrive at the value per equity share of TML and of GTBL.

3. Market Approach

a) Market Price Method

The market price of an equity share, as quoted on a stock exchange, is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, the equity shares of TML are listed on NSE and BSE and the equity shares of GTBL are listed on BSE. The equity shares of TML are frequently traded on NSE and equity shares of GTBL are frequently traded on BSE. The value of equity shares of TML and of GTBL under this method is determined considering the share prices of TML on NSE and share prices of GTBL on BSE over an appropriate period.

b) Comparable Companies' Multiple ("CCM") Method

Under CCM method, the value of equity shares of companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that 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 material differences, if any.

In the present case, Enterprise Value ("EV") to Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") multiple of comparable listed companies are considered to arrive at EV of TML and of GTBL.

To the value so arrived, appropriate adjustments (as may be applicable) have been made for contingent liabilities, loan funds, cash and cash equivalents, lease liabilities, value of investments, value of surplus assets, cash inflow on account of exercise of ESOPs, intercorporate deposits, and cash outflow on account of capex to be incurred, after considering the tax impact wherever applicable, to arrive at the equity value of TML and of GTBL.

The equity value as arrived above is divided by the diluted/ outstanding number of equity shares to arrive at the value per equity share of TML and of GTBL.

c) Comparable Transaction Multiple ("CTM") Method

Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are

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generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Based on our analysis and discussion with the Management, we understand that sufficient and reliable details of comparable transactions in India are not available in public domain involving companies of similar nature and having a similar operating / financial metrics as that of TML and GTBL, we have therefore not used CTM method for the present valuation exercise.

FAIR EQUITY SHARE EXCHANGE RATIO

The fair basis of amalgamation of GTBL with TML would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the equity shares of TML and of GTBL. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the equity shares of each company. Our exercise is to work out relative value of equity shares of TML and of GTBL to facilitate the determination of fair equity share exchange ratio. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

As mentioned above, we have considered a combination of Market Approach and Income Approach for arriving at the relative value per equity share of TML and of GTBL.

The recommendation of fair equity share exchange ratio for the Proposed Amalgamation of GTBL with TML by SSPA is tabulated below:

Valuation Approach	TML (B)		GTBL (A)	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Cost/Asset Approach* (i)	NA	0%	NA	0%
Income Approach - DCF Method (ii)	281.5	50%	335.0	50%
Market Approach				
- Market Price Method (iii)	274.4	25%	333.8	25%
- CCM Method (iv)	290.9	25%	329.8	25%
Relative Value per Share (Weighted Average of (i), (ii) (iii) and (iv))	**282.1**		**333.4**	
Fair Equity Share Exchange Ratio (A/B) (Rounded)	**118:100**			

NA = Not Adopted/ Not Applicable

**Since, the business of TML and of GTBL are both intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the 'Asset' (Cost) Approach is not adopted for the present valuation exercise.*

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Annexure 1B- Approach to Valuation – GTVAPL

We have given due cognizance to the ICAI Valuation Standards ("IVS") for the purpose of arriving at the valuation of the Companies. The valuation base considered is Fair Value. The IVS defines Fair Value as "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the Valuation Date".

IVS 301 provides guidance on the valuation approaches and methodologies that can be considered by the valuer for valuation of business asset / business ownership interest (i.e., valuation of equity shares).

As per the guidance provided in IVS 301 following three approaches can be used for valuation of business / business ownership interest. The valuation techniques can be broadly categorized as follows:

a) Market Approach:
   i. Market Price Method
   ii. Comparable Companies Multiple Method
   iii. Comparable Transaction Multiple Method
b) Income Approach – Discounted Cash Flow Method
c) Cost/Asset Approach
   i. Replacement Cost Method
   ii. Reproduction Cost Method

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 business. The commonly used methodologies under this approach are presented hereunder:

Market Price ("MP") Method

The market price of an equity shares as quoted on stock exchanges is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

The equity shares of TML are listed on NSE and BSE, while the equity shares of GTBL are listed on BSE. There are regular transactions in its equity shares with adequate volumes. The share prices observed on NSE over a reasonable period, considering the volume traded was higher for TML, have been considered for arriving at the value per equity share of TML under the Market Price method. Whereas the share prices observed on BSE over a reasonable period have been considered for GTBL. We have considered the volume weighted average price on NSE and BSE, for Sixty trading days up to the Valuation Date, for TML and GTBL respectively.

Comparable Companies Multiple ("CCM") Method

Under this method, value of the equity shares of a company/ business undertaking is arrived at by using multiples derived from valuations of comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers,

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incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

In the present case, Enterprise Value ("EV") to Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") multiple of comparable listed companies are considered to arrive at EV of TML and GTBL. The value arrived is adjusted for cash and cash equivalents, other surplus assets, debt & debt-like items including lease liabilities, contingent liabilities and other matters as considered appropriate.

In the present valuation analysis, we carried out research on comparable companies for TML and GTBL, listed on Indian Stock exchanges and having similar operations. The multiples of identified comparable companies have been applied for determining the value per share of the Companies under this method.

Comparable Transaction Multiple ("CTM") Method

Under this method, the value of the equity shares of a company/ business undertaking is arrived at by using the prices / multiples implied by reported transactions of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

The difficulty here is in the selection of a comparable transaction since it is rare to find two or more companies having similar product portfolio, size, business strategy etc. We were unable to apply this method due to lack of credible and sufficient information available in the public domain relating to any comparable transactions in the recent past.

Discounted Cash Flow ("DCF") Method

The DCF method values the asset by discounting the free cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.

The DCF analysis is mainly based on the following elements:

a) Estimated future free cash flows:
Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

b) Appropriate discount rate to be applied to cash flows i.e., the cost of capital:
This 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.

In general DCF method is a widely accepted valuation methodology, as it concentrates on the cash generation potential of the business. Thus we have used this method to capture the values of the Companies.
We have used the free cashflow to firm (the "FCFF") approach under the DCF method to estimate the Enterprise Value based on the financial projections of the Companies provided by their respective managements. The value arrived is adjusted for cash and cash equivalents, other surplus assets, debt & debt-like items including lease liabilities, and other matters as considered appropriate to derive the Equity Value.

Please note that we have relied on explanations, financial projections and information provided by the managements of the Companies. The financial projections and its underlying assumptions are only the best

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estimates of the respective managements for the companies' growth and sustainability of profitability margins. Although, we have reviewed the data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

Cost Approach

As per IVS 103, Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for Cost Approach are Replacement Cost Method and Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that will have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

The Cost Approach is generally used when an asset can be quickly recreated with substantially the same utility as the asset to be valued; or in case where liquidation value is to be determined; or income approach and /or market approach cannot be used. We have therefore not considered the Cost Approach for the Companies.

Fair Valuation:

We have arrived at the fair value of equity shares of both Companies by applying below mentioned weights to the value derived under various methods.

The computation of fair equity share exchange ratio for Amalgamation of GTBL with TML by GTVAPL is tabulated below:

Valuation Approach	TML (B)		GTBL (A)	
	Value per Share of TML (INR)	Weight	Value per Share of GTBL (INR)	Weight
Cost Approach*	NA	NA	NA	NA
Income Approach – DCF Method (i)	279.1	33.33%	328.5	33.33%
Market Approach				
Market Price method (ii)	274.7	33.33%	333.4	33.33%
Comparable Companies Multiples method (iii)	290.4	33.33%	332.8	33.33%
Relative Value per Share (Weighted Average of (i),(ii) and (iii)	**281.4**		**331.6**	
Fair Share Exchange Ratio (A/B) (Rounded)	**118:100**			

NA = Not Applied / Not Applicable

**As mentioned earlier, the Cost/Asset approach is not used in the present case, since both the Companies i.e., TML & GTBL, are going concerns and hence an actual realization of their operating assets is not contemplated.*

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To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

Scrip Code: 530199

Dear Sir/ Madam,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the proposed Scheme of Amalgamation of Gujarat Themis Biosyn Limited (“Amalgamating Company”) with Themis Medicare Limited (“Amalgamated Company”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) (“Scheme”)

The Amalgamated Company confirms that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation.

Thanking You.

Yours sincerely
For **Themis Medicare Limited**

Pradeep Manjunath Chandan

Digitally signed by Pradeep Manjunath Chandan
Date: 2024.11.28 15:38:26 +05'30'

Pradeep Chandan
Director – legal, Compliance & Company Secretary