

Fairness Opinion on share exchange ratio
for the proposed Scheme of Amalgamation of
GUJARAT THEMIS BIOSYN LIMITED
with
THEMIS MEDICARE LIMITED



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KJMC CORPORATE ADVISORS (INDIA) LIMITED

Merchant Banker : SEBI Registration No.: MB/INM000002509



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Date: November 18, 2024

The Board of Directors,
Gujarat Themis Biosyn Limited
69/C, GIDC Industrial Estate,
Vapi – 396 195, Dist. Valsad,
Gujarat, India.

Dear Sirs,

Sub: Fairness Opinion on the share exchange ratio for the proposed Scheme of Amalgamation of Gujarat Themis Biosyn Limited with Themis Medicare Limited

1. SCOPE & PURPOSE OF THIS REPORT

The management of **Gujarat Themis Biosyn Limited** (“**Transferor Company**”) has appointed KJMC Corporate Advisors (India) Limited (“**KJMC**”), Category I Merchant Banker registered with SEBI having its Permanent Registration No. INM000002509, vide Engagement Letter dated November 13, 2024 to issue a 'Fairness Opinion' on the share exchange ratio recommended in joint valuation report dated November 18, 2024 issued by M/s. SSPA & CO., Chartered Accountants (“**Valuer 1**”) and M/s. GT Valuation Advisors Private Limited (“**Valuer 2**”) (“collectively called **Registered Valuers**”) on the proposed Scheme of Amalgamation of Gujarat Themis Biosyn Limited with Themis Medicare Limited. The Registered Valuers have considered November 17, 2024 as the Valuation Date (“**Valuation Date**”).

The Draft Scheme of Amalgamation (“**Draft Scheme**”) provides for the merger of Gujarat Themis Biosyn Limited (“**Transferor Company**” / “**GTBL**”) with Themis Medicare Limited (“**Transferee Company**” / “**TML**”) pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable statutory provisions.

The Fairness Opinion has been issued to facilitate the Transferor Company to comply with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

2. BRIEF BACKGROUND OF THE COMPANIES UNDER REFERENCE

a. Transferee Company

Themis Medicare Limited (“**Transferee Company**” / “**TML**”) was incorporated on May 31, 1969 as Themis Chemicals in joint partnership with Gedeon Richter Ltd., Hungary, for the production of Active Pharmaceutical Ingredients (APIs) and Formulations.

TML initially manufactured Vitamin B12 at its Vapi factory at Gujarat. Subsequently, Anti-tuberculosis bulk drugs (API) like Ethambutol, an import substitute product was manufactured at Vapi using in-house developed technology. Several other APIs like Alpha



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Beta Arteether and Feracrylum were also manufactured at Vapi. TML was listed on the BSE in 1995 and listed on the National Stock Exchange of India Limited (NSE) in 2002.

The registered office of the company is located at Plot No. 69A, G.I.D.C. Industrial Estate, Vapi – 396195, Valsad, Gujarat. Currently, TML has manufacturing Plants at Vapi, Hyderabad and Haridwar and is engaged in manufacturing of formulations and of APIs. TML markets its products in over 44 Countries and has more than 4,000 stockists in nationwide. The Company Identification Number (CIN) for TML is L24110GJ1969PLC001590.

Richter Themis Medicare India Private Limited (“RTMIPL”) is a Joint Venture between TML and Gedeon Richter Plc wherein TML holds 49% and balance 51% is held by Gedeon Richter Plc.

As on September 30, 2024, the issued, subscribed and paid-up equity share capital of TML consists of 9,20,40,120 equity shares of Face Value Re. 1/- each and the Shareholding Pattern is as under:

Category of Shareholder	No. of Shares	Shareholding of Equity Shares (%)
Promoter & Promoter Group	6,18,03,990	67.15%
Public	3,02,36,130	32.85%
Total	9,20,40,120	100.00%

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

b. Transferor Company

Gujarat Themis Biosyn Limited (“**Transferor Company**” / “**GTBL**”) was incorporated on December 11, 1981 and has its registered office at Plot No. 69C, G.I.D.C. Industrial Estate, Vapi – 396195, Valsad, Gujarat and manufacturing plant at Vapi, Gujarat. GTBL was listed on the BSE in 1984. GTBL manufactures and sells finished Active Pharmaceutical Ingredients (“APIs”) products by fermentation process. The Company Identification Number (CIN) for GTBL is L24230GJ1981PLC004878.

As on September 30, 2024, the issued, subscribed and paid-up equity share capital of GTBL consists of 10,89,65,265 equity shares of Face Value Re. 1/- each and the Shareholding Pattern is as under:

Category of Shareholder	No. of Shares	Shareholding of Equity Shares (%)
Promoter & Promoter Group	7,72,18,083	70.86%
Public	3,17,47,182	29.14%
Total	10,89,65,265	100.00%

TML holds a 23.19% stake in GTBL.



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3. PROPOSED TRANSACTION

The Draft Scheme of Amalgamation pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 provides for the amalgamation of GTBL with TML and in consideration of which equity shares of TML will be issued to shareholders of GTBL (“**Proposed Transaction**”). Our scope of work is restricted to providing an Opinion on the share exchange ratio as recommended by the Registered Valuers.

4. SOURCES OF INFORMATION

We have relied on the following information in issuing this Fairness Opinion for the purpose of merger:

- i. Draft Scheme of proposed Amalgamation of GTBL with TML
- ii. Joint Valuation Report issued by the Registered Valuers, M/s. SSPA & Co., Chartered Accountants, and GT Valuation Advisors Private Limited dated November 18, 2024 recommending the share exchange ratio for the Scheme of Amalgamation of GTBL with TML (“**Valuation Report**”)
- iii. Annual Reports of TML and of GTBL for financial years ended March 31, 2021 to March 31, 2024
- iv. Reviewed certain publicly available information with respect to each of the relevant entities
- v. Reviewed certain business and historical and projected financial information relating to each of the entities, as provided by GTBL
- vi. Historical Market prices and trading volume of GTBL and TML on BSE and NSE
- vii. Shareholding Pattern of GTBL and TML as on November 17, 2024.
- viii. Certain publicly available information with respect to certain other companies in the same line of business and which we believe to be generally relevant in the context of the business of GTBL and TML
- ix. Such other information, documents, data, reports, discussions and verbal & written explanations from the management of GTBL and GT Valuation Advisors Private Limited as were considered relevant for the purpose of this Fairness Opinion

5. LIMITATIONS

Our opinion is subject to the following Limitations / Exclusions:

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- i. Our work purely constitutes assessing the fairness of share exchange ratio recommended in the Valuation Report. The assessment is carried out with the information provided to us by the Transferor Company on as is basis.
- ii. This Report is based on the equity share capital of Transferor Company and Transferee Company as on the November 17, 2024.
- iii. This Fairness Opinion did not cover undertaking a field survey for the purpose of determining market potential for the products, services and brands of the Transferor Company and/or Transferee Company.
- iv. We have not conducted any physical inspection of the properties / manufacturing facilities of the Transferor Company and/or Transferee Company.

We have relied upon and assumed the accuracy and completeness of all such information that has been furnished to us by GTBL.

6. RELIANCE AND LEGAL DISCLAIMER

This Report is prepared by KJMC under a mandate from GTBL on the basis of information, documents, papers, and explanations given by the management, officers, and executives of GTBL to KJMC. In the preparation of this Opinion, KJMC has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the data provided by GTBL. KJMC has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analysis contained in the Fairness Opinion has also been used. Therefore the Fairness Opinion is based on our interpretation of the information provided by GTBL including its representatives and advisors, as supplied to us to date. KJMC has also considered Draft Scheme as furnished. We have assumed that the Draft Scheme will be approved by the regulatory authorities and the final Scheme will not differ in any material respect from the Draft Scheme and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme.

No investigation for claim to title of assets of the Transferor Company and Transferee Company has been made by us for the purpose of this Report and claim of the Transferor Company and Transferee Company to such rights has been assumed to be valid. We are not experts in the evaluation of litigation or other actual or threatened claims. No responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Draft Scheme with the provisions of any law including companies, taxation and/or capital market related laws or as regards any legal implications or issues arising from such proposed merger.

One should note that valuation is an art as well as a science. It is very subjective and based on individual perception. Large number of valuation models and its countless variants are in vogue, each of which has its

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own strength and weakness. Such practices leads to varying values arrived at by expert which at times may differ by larger margin.

Our opinion also does not address any matters otherwise than as expressly stated herein including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We were not requested to and we did not participate in the negotiations of the proposed merger. We have also not opined in the fairness of any terms and conditions of the Draft Scheme other than the fairness, from financial point of view, of the share exchange ratio.

KJMC has not provided any accounting, tax or legal advice to the Transferee Company and/or the Transferor Company. Fairness Opinion should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the Draft Scheme. We do not express any opinion on the suitability or otherwise of entering into the proposed transaction. We express no view as to and our Opinion does not address, the underlying business decisions of the Company to effect the merger, the relative merits of the proposed transaction as compared to any other alternative business strategy. KJMC shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this Report.

We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the Draft Scheme or as to how the holders of the equity shares or secured or unsecured creditors of the Companies should vote at the respective meetings held in connection with the Draft Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Draft Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of GTBL or TML will trade following the announcement of the Draft Scheme or as to the financial performance of GTBL or TML following the consummation of the Draft Scheme.

This Opinion is necessarily based on various factors and conditions and the written and oral information made available to us as of the date hereof. This opinion is issued on the understanding that the Management of GTBL under the Scheme has drawn our attention to all matters of which they are aware, which may have an impact on our Opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.

We have not independently investigated or otherwise verified the data provided. There may be matters, other than those noted in the Draft Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.

We have no present or planned future interest in GTBL or TML or in any of their subsidiaries / associate companies and the fee payable for this Report are not contingent upon the opinion reported herein. We may currently or in the future, provide investment banking and / or other financial related services to GTBL and/or TML and/or its subsidiaries or their respective affiliates that are unrelated to the Draft Scheme, for which services we may receive customary fees. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of GTBL in connection with its consideration of the Draft Scheme and for none other. Neither KJMC nor its affiliates, partners, directors, shareholders,

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managers, employees or agents of any of them, makes any representation or warranty, express or implied as to the information and documents provided to us, based on which this Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The Draft Report has been shared with GTBL to correct factual inaccuracies, if any.

This report has been issued for the sole purpose to facilitate Gujarat Themis Biosyn Limited to comply with SEBI Regulations and the requirements of the Stock Exchanges on which GTBL is listed and not for any other purpose. This report is issued on the understanding that it is solely for the use of the persons to whom it is addressed i.e. Board of Directors of GTBL and for the purpose described above. We will not be liable or responsible to any person other than those to whom it is addressed. The information contained herein and this Opinion is absolutely confidential. The report must not be made available or copied in whole or in part to any other person without our express written permission.

7. CONCLUSION

The Registered Valuers, M/s SSPA & Co., Chartered Accountants and M/s. GT Valuation Advisors Private Limited, vide Valuation Report have recommended a share exchange ratio of 118 (One Hundred and Eighteen only) fully paid up equity share of face value Rs. 1/- each of Themis Medicare Limited for every 100 (One Hundred only) fully paid up equity shares of face value Rs. 1/- each of Gujarat Themis Biosyn Limited.

Based on the above read with the caveats as detailed in this report and based on the information / data made available to us, we have reviewed the share exchange ratio of the Registered Valuers and methodologies used by the Registered Valuers to arrive at the share exchange ratio. We, as a Merchant Banker, believe that the share exchange ratio suggested by the Registered Valuers under the proposed Scheme of Amalgamation is "Fair" in our opinion.

Yours faithfully,

For **KJMC Corporate Advisors (India) Limited**



Ghanshyam M. Kapadia
Manager – Investment Banking

