

# Annexure 2

Paresh Vakharia  
Hetan Patel  
Deepak Thakkar  
Pinang Shah

**PHD & Associates**  
Chartered Accountants

47

## PRIVATE AND CONFIDENTIAL

To,

The Board of Directors,  
Gufic Biosciences Limited,  
Shop -37, First Floor, Kamala Bhavan II,  
S Nityanand Road, Andheri East  
Mumbai- 400 069.

The Board of Directors,  
Gufic Lifesciences Private Limited,  
Survey No 171, National Highway No 8  
Near Grid, AT & PO Kabilpore, Navsari,  
Gujarat- 396 424.

## Re: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Gufic Lifesciences Private Limited with Gufic Biosciences Limited

Dear Sir,

We refer to our engagement letter dated January 16, 2019 whereby PHD & Associates, Chartered Accountants (hereinafter referred to as 'PHD' or 'Valuer' or 'We') have been requested by the Board of Directors as directed by the Audit Committee of Gufic Biosciences Limited (hereinafter referred to as 'GBL') and the Board of Directors of Gufic Lifesciences Private Limited (hereinafter referred to as 'GLPL') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of GLPL with GBL. GBL and GLPL are hereinafter collectively referred to as 'Companies'. The Board of Directors/Audit Committee of GBL and the Board of Directors of GLPL are hereinafter referred to as the 'Management'

### 1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 We have been informed that the Management of the GBL and GLPL are considering a proposal for amalgamation of GLPL with GBL (hereinafter referred to as 'amalgamation') pursuant to the Scheme of Amalgamation between the Companies and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act 2013, including rules and regulations made there under (hereinafter referred to as 'Scheme').
- 1.2 Pursuant to the Scheme, equity share holders and 9.5% non cumulative, non participating non convertible redeemable preference share holders of GLPL will be entitled to equity shares of GBL.
- 1.3 We have been informed by the Management that the Proposed Appointed Date for the amalgamation is January 01, 2019.



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FOR GUFIC BIOSCIENCES LIMITED

Company Secretary

48

- 1.4 In this regard, we have been appointed to carry out the relative valuation of the equity share of GLPL and GBL and the preference share of GLPL and recommend a fair share exchange ratio for the proposed amalgamation for consideration of the Management of GBL and GLPL.
- 1.5 The valuations, to arrive at the equity/preference share exchange ratio, have been carried out as on March 25, 2019 ('Valuation Date').
- 1.6 This report sets out our recommendation of the fair share exchange ratio and discusses the approaches considered in the computation thereof.
- 1.7 Our report on recommendation of fair share exchange ratio is in accordance with Indian Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.

## 2. BRIEF BACKGROUND

### 2.1 GUFIC BIOSCIENCES LIMITED

- 2.1.1 GBL was incorporated on July 23, 1984 and its registered office is located at Shop -37, First Floor, Kamala Bhavan II, S Nityanand Road, Andheri East Mumbai-400069, Maharashtra.
- 2.1.2 GBL is engaged in the business of manufacturing, job work and marketing of formulations and bulk drugs.
- 2.1.3 As on March 31, 2018, GBL had equity share capital of INR 7,73,50,000/- comprising of 7,73,50,000 equity shares of face value of INR 1/- each fully paid. Subsequently, 4,80,000/- further equity shares of face value of INR 1/- each fully paid up were issued consequent upon merger of Gufic Stridden Bio-Pharma Private Limited in GBL on September 20, 2018. Accordingly, the paid up equity share capital of GBL as on the date is INR 7,78,30,000 comprising of 7,78,30,000 equity shares of face value of INR 1/- each fully paid.
- 2.1.4 The shares of GBL are listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

### 2.2 GUFIC LIFESCIENCES PRIVATE LIMITED (GLPL)

- 2.2.1 GLPL was incorporated as on July 03, 2012 and its registered office is located at Survey No 171, National Highway No 8, Near Grid, AT & PO Kabilpore, Navsari -396424, Gujarat.
- 2.2.2 GLPL is engaged in the business of manufacturing of pharmaceutical formulations in India. It has a fully automated EU-GMP approved Lyophilized and Liquid Injection plant.



2.2.3 As on March 31, 2017, GLPL had equity share capital of INR 1,00,000/- comprising of 10,000 equity shares of INR 10 each aggregating to INR 10 each fully paid. Subsequently on May 20, 2017, 4,90,000 further fully paid equity shares of face value of INR 10/- each aggregating to INR 49,00,000/- have been issued and allotted. Accordingly, the issued, subscribed and paid up equity share capital as on March 31, 2018 was 5,00,000 equity shares of face value of INR 10/- each aggregating to INR 50,00,000/-. The equity shares of face value of INR 10/- each have been sub divided into equity shares of a face value of INR 1/- each. Thus, as on the date, the issued, subscribed and paid up equity capital of GLPL comprises of 50,00,000 equity shares of INR 1/- each fully paid aggregating to INR 50,00,000/-.

2.2.4 On December 30, 2018, GLPL issued 75,22,66,610/- Non Cumulative, Non Participating, Non Convertible, Redeemable 9.5% Preference Shares of Face Value of INR 1/- each redeemable at the end of fifteen years from the date of allotment i.e. December 30, 2018 [hereinafter referred to as the Preference Shares] in lieu of its outstanding loan.

Thus the share capital of GLPL as on the date comprises of (a) 50,00,000 equity shares of INR 1/- each aggregating to INR 50,00,000 and (b) 75,22,66,610 Preference Shares of INR 1/- each aggregating to INR 75,22,66,610/-

### 3. PHD & ASSOCIATES, CHARTERED ACCOUNTANTS (PHD)

PHD is a partnership firm located at 11, Radha Chambers, Teli Park Lane, Andheri (East), Mumbai- 400 069, India. PHD is engaged in providing various corporate consultancy services.

### 4. SOURCES OF INFORMATION

For the purpose of valuation, we have relied upon the following sources of information as provided to us by the Management and available in Public Domain:

4.1 Audited financial statements of GBL and audited standalone financial statements of GLPL for the financial year (FY) ended March 31, 2016, March 31, 2017 and March 31, 2018.

4.2 Unaudited financial statements of GBL and GLPL for the period ended December 31, 2018.



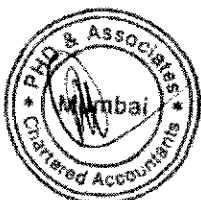
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**For GUFIC BIOSCIENCES LIMITED**

*Anu Shah*  
Company Secretary

- 4.3 Financial Projections of GBL and standalone financial projections of GLPL for FY 2018-19 to FY 2022-23.
- 4.4 Draft Scheme of Amalgamation
- 4.5 Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data, including information in the public domain.
- 4.6 Such other information and explanations as we required, and which have been provided by the Management, including Management Representations.

## **5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

- 5.1 Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- 5.2 This report has been prepared for the Board of Directors and Audit Committee of the GBL and for the Board of Directors of GLPL, solely for the purpose of recommending a fair equity share exchange ratio for the proposed amalgamation of GLPL with GBL.
- 5.3 Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 5.4 It has been represented by the Management that the Companies have clear and valid title of assets. No investigation on the Companies' claim to the title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.
- 5.5 For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in paragraph 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies is that of the Companies. Also, we have been given to understand by the Management that they have not omitted any relevant and material facts about the Companies. The Management has indicated that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis and conclusions. Our work does not



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Page 4 of 12

*Shri Sat*  
Company Secretary

constitute an audit, due diligence or certification of this information referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise.

- 5.6 The Companies have been provided with the opportunity to review the draft report (excluding the recommended fair exchange ratio) as a part of our standard practice to make sure that factual inaccuracy /omissions are avoided in our final report.
- 5.7 Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report and is as per agreed terms of our engagement.
- 5.8 Our recommendation is based on the estimates of future financial performance as projected by the Management, 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 operate. 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.
- 5.9 A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the respective management of the Companies has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.
- 5.10 The fee for the engagement and this report is not contingent upon the results reported.
- 5.11 This report is prepared only in connection with the proposed transaction as explained in paragraph 1. It is exclusively for the use of companies and for



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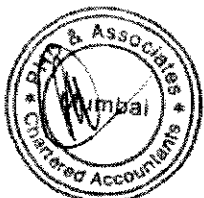
*Juhi Star*  
Company Secretary

submission to any regulatory/statutory authority as may be required under any law.

- 5.12 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such amalgamation.
- 5.13 Any person/party intending to provide finance/invest in the shares/convertible instruments/business of the Companies 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.
- 5.14 The decision to carry out the transaction (including consideration thereof) lies entirely with the Board of Directors of the Companies and our work and our finding shall not constitute a recommendation as to whether or not the Board of Directors of the Companies should carry out the transaction.
- 5.15 Our Report is meant for the purpose mentioned in paragraph 1 only and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall PHD assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.16 PHD nor its partners, managers, employees make any representation or warranty, express or implied as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

## 6. VALUATION BASES

- 6.1 For the purpose of valuation, the Valuation Bases may be:
- Fair Value;
  - Participant Specific Value; and
  - Liquidation Value
- 6.2 Since the valuation herein is being carried out for the purpose of amalgamation of companies and on going concern basis, the Participant Specific Value or Liquidation Value bases are not adopted.
- 6.3 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. We consider the 'Fair Value' as an appropriate base for



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Page 6 of 12

**For GUFIC BIOSCIENCES LIMITED**

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**Company Secretary**

determination of share exchange ratio for the purpose of amalgamation of GLPL into GBL.

## 7. VALUATION APPROACH

7.1 For the purpose of valuation, generally the following approaches can be considered, viz,

- a. the 'Income' approach
- b. the 'Market' approach
- c. the 'Cost' approach: Net Asset Value Method

7.2 Given the nature of the business in which GBL and GLPL are engaged and the purpose of valuation, we have thought fit to consider 'Income' approach and 'Market' approach for the valuation of equity shares of GBL and GLPL.

### 7.3 INCOME APPROACH

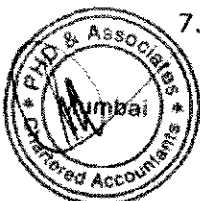
7.3.1 Under the 'Income' approach, equity shares of the Company have been valued using Discounted Cash Flow ('DCF') Method.

7.3.2 Under the 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.

7.3.3 The free cash flows represent the cash available for distribution to both, the owners of and the lenders to the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non cash charge), (ii) interest on loans 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.

7.3.4 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 the company's cost of owner's fund (equity shares and preference shares) and debt. Considering an appropriate mix between debt and owner's fund, we have arrived at the WACC to be used for discounting the free cash flows.

7.3.5 Appropriate adjustments have been made for loan funds, value of investments, cash and cash equivalents, value of tax benefits due



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Company Secretary

to losses and depreciation and value of surplus assets, after making adjustment of tax wherever applicable to arrive at the Enterprise Value.

- 7.3.6 From the Enterprise Value we have deducted the value of the Preference Shares as per DCF method discussed in paragraph 8 herein below. The balance is the value for equity share holders.
- 7.3.7 The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per equity share.

#### 7.4 MARKET APPROACH

- 7.4.1 Under the 'Market' approach, we have thought fit to consider Market Price Method for valuation of equity shares of GBL.
- 7.4.2 Since the equity shares of GLPL are not listed on any stock exchanges, Market Price Method cannot be adopted for valuation of the shares of GLPL.
- 7.4.3 In the absence of comparable companies or comparable transactions in public domain, Comparable Companies Multiple ("CCM") method and Comparable Transaction Multiple ("CTM") method has not been adopted for valuation of shares of the Companies under the Market Approach.

#### 7.4.4 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.

As mentioned in paragraph 2.1.4, the equity shares of GBL are listed on recognized stock exchanges. The shares are 'frequently traded' in terms of SEBI Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018, on the respective stock exchanges. However, since, the highest trading volume has been recorded on NSE during the twenty six weeks preceding the date of board meeting, under the Market Price method and pursuant to SEBI ICDR Regulations, 2018 read with Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 and Circular No. CFD/DIL3/CIR/2017/26 dated 23.03.2017; the average of the weekly high and low of the volume weighted average price (VWAP)



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Page 8 of 12

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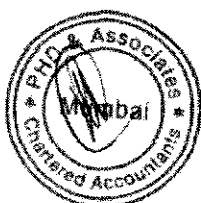
of INR 91/- per share (Rupees Ninety One) quoted on NSE during twenty six weeks preceding the date of board meeting [the said price being higher than the average of weekly high and low of the VWAP during the two weeks preceding the date of board meeting] has been arrived at for GBL.

**7.5 COST APPROACH: Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on replacement cost method or reproduction cost method. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. A scheme of arrangement would normally be proceeded with, on an assumption that the businesses continue as going concern and an actual realization of the operating assets is not contemplated. In a going concern scenario, the relative earning power is of importance to the basis of merger, the values arrived at on the net asset basis being of limited relevance. Since under the Cost Approach - NAV method, the intrinsic value of the operating business is not reflected, it has not been adopted for valuation of GBL and GLPL.

**8. VALUATION OF PREFERENCE SHARES**

- 8.1 As per the Scheme of Amalgamation, the preference shareholders of GLPL will be entitled to consideration in the form of equity shares of GBL. Hence, we have been requested to suggest a fair ratio for exchange of the Preference Shares against the issuance of equity shares of GBL. Since the value of equity shares of GBL is already discussed in paragraph 7.4.4 hereinabove, we may now proceed with discussion on valuation of Preference Shares.
- 8.2 The Preference Shares are non cumulative, non convertible, non participating redeemable shares of face value of INR 1/- each carrying a fixed coupon rate of 9.5%. There is no premium or discount either on issuance or redemption.
- 8.3 The Preference Shares are not quoted on any stock exchange. Further, we do not find any comparable quoted preference shares or any comparable transaction carrying same or similar characteristics. Hence, we have not adopted 'Market' approach. Considering the nature of the instrument and objective of the valuation, the 'Cost' approach is not appropriate and



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56

hence not adopted. The appropriate approach in respect of the above Preference Shares is the 'Income' approach and the suitable method under the said approach is the Discounted Cash Flow (DCF) Method. Accordingly, the Preference Shares have been valued by application of DCF method whereby the cash flow arising out of dividend payouts and the redemption amount is discounted at an appropriate rate of return.

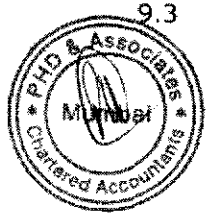
8.4 After a thorough discussion with the management as to the dividend payouts and the timings scenario, having regard to the projected profit and loss statement of the company, we have arrived at the value of preference shares as per DCF method at Rs.5,856/- (Rupees Five Thousand Eight Hundred and Fifty Six) for every 10,000 (Ten Thousand) Preference Shares.

**9. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO:**

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

9.2 To arrive at relative value of GBL, we considered it appropriate to give equal weights to the value determined as per the DCF method and the Market Price method and we arrived at the value of Rs 89.50/- per equity share of GBL. However we found that the above value of each equity share of GBL is less than the price, of Rs 91/- arrived at pursuant to SEBI Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 and SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23.03.2017. Hence, value per equity share of Rs. 91/- arrived at as per Market Price method as discussed in paragraph 7.4.4 hereinabove, has been adopted as value of each equity share of GBL.

9.3 To arrive at relative value of GLPL, we have considered it appropriate to determine value as per the DCF method. Since the shares of the company



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Company Secretary

57

are not listed on any stock exchange, the Market Price method cannot be considered. Further, the value determined as per DCF method has been appropriately scaled down having regard to restriction on transfer of shares of GLPL, being a private limited company.

- 9.4 The fair equity share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the approaches explained herein before and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 9.5 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement taking into account all the relevant factors. There will always be several factors which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.
- 9.6 In the light of above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove in this report, in our opinion, a fair ratio of exchange of equity shares in the event of amalgamation of GLPL with GBL would be as under:

Valuation Approach	GLPL		GBL	
	Value per share (INR)	Weights	Value per share (INR)	Weights
Asset Approach (Note 1)	Not Applied	NA*	Not Applied	NA *
Income Approach	259.94	100%	88	1
Market Approach	Not Applied	NA*	91	1
Relative Value per share	259.94		91 (Note2)	
Share Exchange Ratio (Rounded off)	2.86			

**RATIO: 286 (Two Hundred and Eighty Six) equity shares of Gufic Biosciences Limited of INR 1/- each fully paid up for every 100 (One Hundred) equity shares of Gufic Lifesciences Private Limited of INR 1/- each fully paid.**

\*NA = Not Applicable/Not Adopted  
Notes

- 1. The Asset Approach is not considered since it does not reflect the intrinsic value of the business of GBL and GLPL as discussed in paragraph 7.5 of this report.
- 2. As discussed in paragraph 9.2 above, since the weighted average value of equity shares of GBL as per Income Approach and Market Approach is lower



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than the value determined as per the Market Approach, as per the Circular referred to in the said paragraph, we have considered the value as per Market Approach.

- 9.7 In the light of above and on consideration of all the relevant factors and circumstances as discussed in paragraph 8 and outlined hereinabove in this report, in our opinion, a fair ratio of exchange of Preference Shares of GLPL in lieu of equity shares of GBL in the event of amalgamation of GLPL with GBL would be as under:

Valuation Approach	Preference Shares of GLPL		Equity Shares of GBL	
	Value per Share	Weights	Value per share	Weights
Asset Approach (Note1)	Not Applied	NA*	Not Applied	NA*
Income Approach	0.5856	100%	88	1
Market Approach	Not Applied	NA*	91	1
Relative Value per share	0.5856		91 (Note 2)	
Share Exchange Ratio (Rounded off)	0.0064			

**RATIO: 64 (Sixty Four) Equity Shares of GBL of INR 1/- each fully paid for every 10,000 (Ten Thousand) Preference Shares of GLPL of INR 1/- each fully paid.**

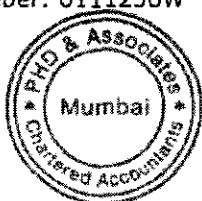
\*NA = Not Applicable/Not Adopted  
Notes

1. The Asset Approach is not considered since it does not reflect the intrinsic value of the business of GBL and GLP as discussed in paragraph 7.5 of this report.
2. As discussed in paragraph 9.2 above, since the weighted average value of equity shares of GBL as per Income Approach and Market Approach is lower than the value determined as per the Market Approach, as per the Circular referred to in the said paragraph, we have considered the value as per Market Approach.

Respectfully submitted,

**PHD & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 0111236W

*(Signature)*  
Paresh Vakharia  
Partner  
Membership No. 038220



Date: 25 March 2019  
Place: Mumbai.

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**For GUFIC BIOSCIENCES LIMITED**

*(Signature)*  
Company Secretary

To,

**Gufic Biosciences Limited**  
**Shop No -37, First Floor, Kamala Bhavan II,**  
**S. Nityanand Road, Andheri (East),**  
**Mumbai – 400 069**

Dear Sir,

**Subject: Our Valuation Report dated 25th March 2019**

We refer to our Report dated 25.03.2019 in connection with recommendation of fair equity share exchange ratio for the proposed amalgamation of Gufic Lifesciences Pvt. Ltd. (the "Transferor Company") with Gufic Biosciences Limited (the "Transferee Company") [hereinafter referred to as the said Report] and Point No. 1 of copy of letter of National Stock Exchange of India Ltd dated 12.07.2019 [Ref: NSE/LIST/20953], forwarded to us, which reads as under:

*"Valuation Report as per Para I(A)(4) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 along with the Computation of Fair Share Exchange Ratio as mentioned in the format enclosed in Annexure A (In an table of computation of fair share exchange ratio kindly provide correct weights in relation to Gufic Biosciences Limited.)"*

In response to the above observation, as understood by us:

1. The table of computation of fair share exchange ratio in Paragraph 9.6 on Page 11 of the Report shall be substituted as under:

Valuation Approach	GLPL		GBL	
	Value per share (INR)	Weights	Value per share (INR)	Weights
Asset Approach (Note 1)	Not Applied	NA*	Not Applied	NA *
Income Approach	259.94	100%	88	0%
Market Approach	Not Applied	NA*	91	100%
Relative Value per share	259.94		91 (Note2)	
Share Exchange Ratio (Rounded off)	2.86			



2. The table of computation of fair share exchange ratio in Paragraph 9.7 on Page 12 of the Report shall be substituted as under:

Valuation Approach	Preference Shares of GLPL		Equity Shares of GBL	
	Value per Share	Weights	Value per share	Weights
Asset Approach (Note1)	Not Applied	NA*	Not Applied	NA*
Income Approach	0.5856	100%	88	0%
Market Approach	Not Applied	NA*	91	100%
Relative Value per share	0.5856		91 (Note2)	
Share Exchange Ratio (Rounded off)	0.0064			

We hereby clarify and state that the above rectification of tables pursuant to the aforesaid NSE observation letter [Ref: NSE/LIST/20953] has no impact on the valuation of shares and the share exchange ratio stated in both the tables in Paragraph 9.6 and Paragraph 9.7 of the Report dated 25.03.2019.

Respectfully submitted,

**PHD & Associates**

Chartered Accountants

ICAI Firm Registration Number: 0111236W



Paresh Vakharia  
Partner  
Membership No. 038220



Date: 29 July 2019

Place: Mumbai.

To,  
**Gufic Biosciences Limited**  
**Shop No -37, First Floor, Kamala Bhavan II,**  
**S. Nityanand Road, Andheri (East),**  
**Mumbai – 400 069**

Dear Sir,

**Subject: Our Valuation Report dated 25th March 2019**

We refer to our Report dated 25.03.2019 in connection with recommendation of fair equity share exchange ratio for the proposed amalgamation of Gufic Lifesciences Pvt. Ltd. (the "Transferor Company") with Gufic Biosciences Limited (the "Transferee Company") [hereinafter referred to as the said Report] and Point No 6 of copy of Bombay Stock Exchange Observation Letter dated 24.12.2019 forwarded to us, the relevant part of which reads as under:

*"Valuation Report for Scheme by PHD & Associates, CA doesn't give reference to workings/calculation of the Fair Value derived as per Market Approach. Kindly share addendum by PHD & Associates, CA for the same.*

**In this connection please find herein below Addendum to the Report giving the required working/calculation of the Fair Value derived as per Market Approach.**

- A. Average of Weekly high and low of the volume weighted average price (VWAP) of the related equity shares quoted on NSE during the twenty six weeks preceding the relevant date i.e. Board of Directors meeting dated March 25, 2019

Week	From	To	Weekly High of VWAP (Rs.)	Weekly Low of VWAP (Rs.)	Average of Weekly High & Low of VWAP (Rs.)
1	24-09-2018	30-09-2018	125.73	118.70	122.22
2	01-10-2018	07-10-2018	110.63	103.80	107.22
3	08-10-2018	14-10-2018	109.36	101.18	105.27
4	15-10-2018	21-10-2018	108.57	103.27	105.92
5	22-10-2018	28-10-2018	99.27	89.93	94.60
6	29-10-2018	04-11-2018	95.37	93.58	94.48
7	05-11-2018	11-11-2018	103.30	95.42	99.36
8	12-11-2018	18-11-2018	103.71	100.05	101.88
9	19-11-2018	25-11-2018	100.42	97.99	99.21
10	26-11-2018	02-12-2018	93.14	85.30	89.22
11	03-12-2018	09-12-2018	89.21	86.24	87.73



12	10-12-2018	16-12-2018	93.48	87.03	90.26
13	17-12-2018	23-12-2018	96.22	93.64	94.93
14	24-12-2018	30-12-2018	93.78	91.80	92.79
15	31-12-2018	06-01-2019	93.86	93.43	93.65
16	07-01-2019	13-01-2019	96.93	93.01	94.97
17	14-01-2019	20-01-2019	92.61	91.33	91.97
18	21-01-2019	27-01-2019	90.04	86.23	88.14
19	28-01-2019	03-02-2019	83.46	80.92	82.19
20	04-02-2019	10-02-2019	81.27	77.62	79.45
21	11-02-2019	17-02-2019	76.83	70.46	73.65
22	18-02-2019	24-02-2019	72.97	69.25	71.11
23	25-02-2019	03-03-2019	73.46	70.36	71.91
24	04-03-2019	10-03-2019	81.51	77.03	79.27
25	11-03-2019	17-03-2019	81.16	77.12	79.14
26	18-03-2019	24-03-2019	76.05	75.22	75.64
<b>AVERAGE OF 26 WEEKS</b>					<b>91.00</b>

- B. Average of Weekly high and low of the volume weighted average price (VWAP) of the related equity shares quoted on NSE during the two weeks preceding the relevant date i.e. Board of Directors meeting dated March 25, 2019

Week	From	To	Weekly High of VWAP (Rs.)	Weekly Low of VWAP (Rs.)	Average of Weekly High & Low of VWAP (Rs)
1	11-03-2019	17-03-2019	81.16	77.12	79.14
2	18-03-2019	24-03-2019	76.05	75.22	75.64
<b>AVERAGE OF 2 WEEKS</b>					<b>77.39</b>

As per SEBI ICDR Regulations, 2018 the valuation price shall be not less than higher of A or B in the above table.

A : Average of weekly high and low of the volume weighted average price during the twenty six weeks preceding the relevant date : Rs. 91.00

B : Average of weekly high and low of the volume weighted average price during the two weeks preceding the relevant date : Rs.77.39

**Higher of A or B = Rs. 91.00**

**PHD & Associates**

Chartered Accountants

ICAI Firm Registration Number: 0111236W

*Paresh Vakharia*  
Paresh Vakharia

Partner

Membership No. 038220

Date: 06 January 2020

Place: Mumbai.

