PwC Business Consulting Services LLP Registered Valuer Registration No. IBBI/RV – E/02/2022/158 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai – 400028, Maharashtra, India.	BDO Valuation Advisory LLP Registered Valuer Registration No. IBBI/RV-E/02/2019/103 The Ruby, Level 9, North-West Wing Senapati Bapat Marg, Dadar (West) Mumbai – 400028 Maharashtra, India.

Dated: 29 February 2024

To,

The Audit Committee/ The Board of Directors, Suven Pharmaceuticals Limited 8-2-334, Sde Serene Chambers, 3rd Floor Avenue 7, Road No. 5, Banjara Hills, Hyderabad, Telangana, 500034, India	The Audit Committee/ The Board of Directors, Cohance Lifesciences Limited 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Mumbai, Maharashtra, 400093, India

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Cohance Lifesciences Limited with Suven Pharmaceuticals Limited

Dear Sir / Madam,

We refer to respective engagement letters of PwC Business Consulting Services LLP ("PwC BCS") and BDO Valuation Advisory LLP ("BDO Val"), whereby PwC BCS is appointed by Suven Pharmaceuticals Limited ("Suven") and BDO Val is appointed by Cohance Lifesciences Limited ("Cohance") for recommendation of fair equity share exchange ratio ("Share Exchange Ratio") for the proposed amalgamation of Cohance with Suven ("Proposed Amalgamation").

Suven and Cohance are hereinafter jointly referred to as "Companies" or "Clients".

PwC BCS and BDO Val are hereinafter jointly referred to as "Valuers" or "we" or "us" in this report.

The Share Exchange Ratio for this report refers to number of equity shares of Suven which would be issued to the equity shareholders of Cohance pursuant to the Proposed Amalgamation.

Our deliverable for this engagement would be a report ("Report") recommending fair equity share exchange ratio for the Proposed Amalgamation with 28 February 2024 being the "Valuation Date".

For the purpose of this valuation, the valuation is based on 'Going Concern' premise.

SCOPE AND PURPOSE OF THIS REPORT

Suven Pharmaceuticals Limited is a public limited company incorporated under the Companies Act, 2013, having its registered office at 8-2-334, Sde Serene Chambers, 3rd Floor Avenue 7, Road No. 5, Banjara Hills, Hyderabad, Telangana, 500034, India, with permanent account number ABBCS1159F and corporate identity number L24299TG2018PLC128171. Suven was incorporated on November 6, 2018. Suven is in

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the business of: (i) contract development, manufacturing and manufacturing process development of intermediates for innovator customers; (ii) manufacturing of specialty chemicals including Agro Chemicals; (iii) manufacturing of APIs, formulations and providing analytical services (including without limitation the assessment of compounds, concentration level etc.), method development services; and (iv) process improvement services for both pharmaceutical and specialty chemicals companies. Suven's shares (as defined hereinafter) are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). For the financial year ended 31 March 2023, Suven reported a consolidated revenue of INR 1,340.3 crore and a consolidated profit of INR 411.3 crore.

Cohance Lifesciences Limited (formerly known as AI Pharmed Consultancy India Limited) is a public limited company incorporated under the Companies Act, 2013, having its registered office at 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala, Mumbai, Maharashtra, 400093, India, with corporate identity number U24100MH2020PLC402958. Cohance was incorporated on July 6, 2020. Cohance is, inter alia, engaged in the business of: (i) end-to-end contract development and manufacturing of intermediates and active pharmaceutical ingredients ("APIs") for innovator customers; (ii) manufacturing of intermediates, APIs, finished dosage formulations for pharma companies; (iii) manufacturing of specialty chemicals, including electronic chemicals; and (iv) undertaking clinical research studies; catering to both domestic and international markets, thereby providing products and services across all phases of a molecule's lifecycle from development to genericization. Cohance's shares are not listed on any stock exchange.

ZCL Chemicals Limited and Avra Laboratories Private Limited, incorporated under the Companies Act, 2013, were amalgamated into Cohance, pursuant to the order dated 5 January 2024 passed by the National Company Law Tribunal, Mumbai, with the appointed date of 1 April 2023.

ZCL Chemicals Limited is 100% EOU (Export Oriented Unit) engaged in manufacturing and exports of advanced drug intermediates and APIs. It provides products across therapeutic areas, including narcotic and controlled substances. The company is primarily engaged in API Intermediaries and CDMO across both innovator and generic molecules.

Avra Laboratories Private Limited focuses on providing contract research and manufacturing of advanced intermediates and Active Pharma Ingredients covering oncology and other therapeutic areas across both Innovator and Generic molecules. It is focused on providing custom synthesis solutions across the value chain, right from developing a cost-effective process to supplying commercial quantities from their facilities.

We understand that the management of the Companies (hereinafter collectively referred to as "the Management") are evaluating an amalgamation of Cohance into Suven through a Scheme of Amalgamation ('Scheme') under the provisions of Sections 230-232 and the other applicable provisions of the Companies Act, 2013.

In this connection, the Board of Directors of Suven have appointed PwC BCS, and the Board of Directors of Cohance have appointed BDO, both of them being Registered Valuers, to recommend a fair equity share exchange ratio ("Share Exchange Ratio"), for issue of Suven's equity shares to the equity shareholders of Cohance for the Proposed Amalgamation, to be placed before the Audit Committee/ Board of Directors of the Companies.

We understand that the Appointed Date for the Proposed Amalgamation as per the Scheme means the Effective Date, or such other date as may be approved by the Board of the amalgamating Companies.

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The scope of our services is to conduct a fair valuation of equity shares of the Companies on a relative basis and report Share Exchange Ratio for the Proposed Amalgamation.

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 Share Exchange Ratio for the Proposed Amalgamation, appropriate minor adjustments/rounding off have been done by the Valuers.

We have been provided with the limited reviewed financials of Suven and audited financials of Cohance for the nine months period ended 31 December 2023. 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 has 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 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 31 December 2023 till the Report date.

We have relied on the above while arriving at the 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.

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 for the Proposed Amalgamation;
- Audited consolidated financial statements of Suven for last 3 years ending 31 March 2023 and limited reviewed consolidated financial statements for 9 months period ended 31 December 2023;
- Provisional consolidated financial statements (without notes to accounts) of Cohance for last 2 years ending 31 March 2023;
- Audited consolidated financial statements for 9 months period ended 31 December 2023;
- Financial projections comprising income statement, estimates of working capital and capex for both the Companies;
- Number of equity shares of the Companies, as on the Valuation Date, on a fully diluted basis;
- Other relevant information and documents for the purpose of this engagement provided through emails or hard copy of documents or during discussion.

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 Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our Report.

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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.
- Considered data available in public domain related to the Companies 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 as available in public domain.
- 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.
- Selected internationally accepted valuation methodology/ (ies) as considered appropriate by us, in accordance with the International Valuation standards published by the International Valuation Standards Council.
- Arrived at valuation of Companies in order to conclude our analysis on Share Exchange Ratio for the Proposed Amalgamation.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

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 or network firms.

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. To the extent mandatorily required under applicable laws of India, this Report maybe produced before judicial, regulatory or government authorities, in connection with the proposed Scheme. 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. If any person/ party (other than the Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to PwC BCS and BDO Val.

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 regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections of the Clients. Our Scope did not involve financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information provided by/on behalf of the Companies.

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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 Valuation Date; (iii) limited reviewed financials of Suven and audited financials of Cohance for nine months ended 31 December 2023, and (iv) other information obtained by us from time to time. We have been informed that the business activities of the Companies have been carried out in the normal and ordinary course between 31 December 2023 and the Report date and that no material changes have occurred in their respective operations and financial position between 31 December 2023 and the Report date.

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 financial data, operational data and other information, except as specifically stated to the contrary in the Report.

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.

Whilst we have conducted analysis of the financial projections of Suven and Cohance for arithmetic and logical consistency, our review was not in the nature of an audit/ a due diligence. We do not express an opinion as to how closely the actual revenues, expenses, cash flows and position of assets and liabilities will correspond to these financial projections. There will usually be differences between predicted and actual results and those differences may be material. The Managements have provided us with a set of financial projections that are based on internal estimates including growth expectations of end user industries, cost estimations, etc. and represent their best estimate of the expected performance of Suven and Cohance going forward. We take no responsibility for the achievement of the predicted results.

Our Report is not, nor should it be construed as recommending the Proposed Amalgamation or anything consequential thereto/ resulting therefrom. This Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies/ their shareholders/ creditors regarding whether or not to proceed with the Proposed Amalgamation shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Amalgamation. This Report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Amalgamation. Our Report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

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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.

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.

The actual equity share exchange ratio may be higher or lower than our recommendation depending upon the circumstances of the transaction, the nature of the business. The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the exchange ratio achieved. Accordingly, our recommended Share Exchange Ratio will not necessarily be the equity share exchange ratio at which actual transaction will take place.

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.

Any person/ party intending to provide finance/ 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.

Our Report is not and nor should it be construed as our opining or certifying the compliance of the Proposed Amalgamation with the provisions of any law/ standards.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on information provided by the Companies in that regard.

This valuation report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

Though the Valuers are issuing a joint report, PwC BCS will owe the responsibility only to the Board of Directors of Suven and BDO Val will owe the responsibility only to the Board of Directors of Cohance 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.

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DISCLOSURE OF RV 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.

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

SHAREHOLDING PATTERN

Suven Pharmaceuticals Limited

The issued and subscribed equity share capital of Suven as of 28 February 2024 is INR 25.5 crore consisting of 25,45,64,956 equity shares of face value of INR 1/- each. The shareholding pattern is as follows:

Shareholding Pattern as on Valuation Date	No. of Shares	% Shareholding
Promoter	12,75,39,592	50.10%
Public	12,70,25,364	49.90%
Grand Total	**25,45,64,956**	**100.00 %**

Source: Management information

We understand that Suven has granted ESOPs. The exercise of such ESOPs may result in an increase in the issued and subscribed equity share capital of Suven.

Cohance Lifesciences Limited

The issued and subscribed equity share capital of Cohance as of 31 December 2023 is INR 145.8 crore consisting of 3,39,46,62,519 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding Pattern as on Valuation Date	No. of Shares	% Shareholding
Promoters	3,39,35,33,524	99.97%
Others	11,28,995	0.03%
Grand Total	**3,39,46,62,519**	**100.00 %**

Source: Management information

We understand that Cohance has granted ESOPs. The exercise of such ESOPs may result in an increase in the issued and subscribed equity share capital of Cohance.

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APPROACH FOR RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

The Scheme contemplates the amalgamation of Cohance with Suven. Arriving at the Share Exchange Ratio for the Proposed Amalgamation of Cohance with Suven would require determining the fair value of equity shares of Cohance and Suven 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 PwC BCS and BDO Val is given in Annex 1A and 1B respectively (Annex 1A and 1B together referred to as Annex).

BASIS OF FAIR EQUITY SHARE EXCHANGE RATIO

The basis of the amalgamation of Cohance with Suven 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 Annex, for the purposes of recommending the Share Exchange Ratio it is necessary to arrive at a final value for each of the Companies. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach / method.

The 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 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 Share Exchange Ratio. The final responsibility for the determination of the 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 the Companies. To arrive at the consensus on the Share Exchange Ratio for the Proposed Amalgamation, suitable minor adjustments / rounding off have been done.

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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 Share Exchange Ratio for the Proposed Amalgamation of Cohance with Suven:

11 (Eleven) equity shares of Suven of INR 1/- each fully paid up for every 295 (Two hundred and ninety five) equity shares of Cohance of INR 10/- 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, **PwC Business Consulting Services LLP** Registered Valuer Registration No. IBBI/RV-E/02/2022/158 PwC Business Consulting Services LLP **Neeraj Garg** Partner IBBI Membership No.: IBBI/RV/02/2021/14036 Date: 29 February 2024 RVN: IOVRVF/PWC/2023-2024/3010	Respectfully submitted, **BDO Valuation Advisory LLP** Registered Valuer Registration No. IBBI/RV-E/02/2019/103 BDO Valuation Advisory LLP **Lata Gujar More** Partner IBBI Membership No.: IBBI/RV/06/2018/10488 Date: 29 February 2024 RVN: IOVRVF/BDO/2023-2024/2931

Annex 1A- Approach to Valuation – PwC BCS

We have considered International Valuation Standards[1] in carrying out our valuation analysis and delivering our valuation conclusion. There are several commonly used and accepted valuation approaches for determining the value of shares of a company, which have been considered in the present case, to the extent relevant and applicable:

1. **Asset Approach - Net Asset Value method**

   The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the 'going concern' criteria or in case where the assets base dominates earnings capability. A Scheme of Amalgamation/ Slump Sale would normally be proceeded with, on the assumption that the companies/ business would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance.

2. **Income Approach (Discounted Cash Flows (DCF) Method)**

   Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the firm/ equity shareholders.

   Using the DCF analysis involves determining the following:

   Estimating future free cash flows:
   Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both creditors and shareholders.

   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/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

3. **Market Approach:**

   Under this approach, value of a company is assessed basis its market price (i.e., if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e., similar) listed companies or transactions in similar companies. Following are the methods under Market Approach:

[1] Market Value as per IVS 104: Market Value is the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The Fair Value referred in the Report is same as Market Value as defined above.

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- **Market Price (MP) Method**

  The market price of an equity share as quoted on a stock exchange 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. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Multiple (CCM) method**

  Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attribute such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. 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 differences between the circumstances.

- **Comparable Companies' Transaction Multiples (CTM) Method**

  Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of share exchange ratio/ valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single share exchange ratio/ equity value estimate. The Share Exchange Ratio rendered in this Report only represent our recommendation(s) based upon information till the date of this Report, furnished by the Management (or its representatives) and other sources, others may place a different value. The final responsibility for the determination of the Share Exchange Ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been discussed below.

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The Share Exchange Ratio has been arrived at on the basis of equity valuation (on a per share basis) of Suven and Cohance, on a relative basis, based on the various methodologies explained herein earlier and other factors considered relevant, having regard to information base, key underlying assumptions, and limitations. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for the Proposed Amalgamation. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

In the current analysis, the merger of Cohance into Suven is proceeded with on the assumption that Cohance and Suven would merge as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated the values of the shares of Suven and Cohance under the Asset Approach, we have considered it appropriate not to give any weight to the same in arriving at the Share Exchange Ratio.

Given the nature of businesses of Suven and Cohance, and the fact that we have been provided with projected financials for Suven and Cohance, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive the fair value of the equity shares of Suven and Cohance. Within the DCF Method, equity value per share for Suven and Cohance has been computed as follows:

- Enterprise Value of Suven and Cohance has been computed using the DCF method;
- To arrive at the total value available to the equity shareholders for both Suven and Cohance, value as arrived above is adjusted, as appropriate for debt, cash and cash equivalents and surplus assets as appearing in balance sheet, contingent liabilities and other matters;
- The remaining value thus determined is then divided by diluted equity shares (considering estimated ESOP exercise, as appropriate), to arrive at the value per equity share.

For our analysis under Market Approach, we have considered the Market Price Method to arrive at the value of the equity shares of Suven for the purpose of arriving at the Share Exchange Ratio. For determining the market price, the volume weighted share price of Suven over an appropriate period up to 28 February 2024, has been considered in this case. Equity shares of Cohance are not listed on any stock exchange.

Considering the stage of operations of the Companies, nature of their industry and the current profitability status of the Companies, we have considered the Enterprise Value/ Earnings before interest, taxes, depreciation and amortization ('EV/EBITDA') multiple of listed comparable companies. We have relied on publicly available information and certain databases such as CapitalIQ, etc. to arrive at the comparable company multiple.

Comparable Companies' Transaction Multiple (CTM) method has not been used due to lack of comparable transactions in this space. Further, the transaction multiples may include acquirer specific considerations, synergy benefits, control premium and minority adjustments.

For our final analysis and recommendation, we have considered the values arrived under the Income approach and Market Approach, to determine value of the equity shares of Suven and Cohance on a relative basis for the purpose of the Proposed Amalgamation.

We have considered appropriate weights to the values arrived at under different methods under Income approach and Market Approach.

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In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, the tables below summarise our workings for valuation of Suven and Cohance, and the Share Exchange Ratio as derived by us.

The computation of fair equity share exchange ratio for the Proposed Amalgamation of Cohance into Suven is tabulated below:

Valuation Approach	Suven		Cohance	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Cost/Asset Approach	86.24	0%	3.84	0%
Income Approach				
DCF method (i)	670.54	50%	25.86	50%
Market Approach				
Multiples method (ii)	663.65	25%	23.90	50%
Market Price method* (iii)	665.02	25%	NA	NA
Relative Value per Share (Weighted Average of (i), (ii) and (iii)	667.44		24.88	
Share Exchange Ratio (Rounded)	**11:295**			

* Higher of 10 trading days volume weighted average price ('VWAP') or 90 trading days VWAP

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Annexure 1B- Approach to Valuation – BDO Val

BASIS OF VALUE

The report has been prepared on the basis of "Fair Value" as at Valuation Date. The generally accepted definition of "Fair Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

PREMISE OF VALUE

The report has adopted "Going Concern Value" as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

We have carried out the valuation in accordance with the principles laid in the International Valuation Standards, as applicable to the purpose and terms of this engagement.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the Equity Share Exchange Ratio for the purpose of the Proposed Amalgamation, such as:

- Market Approach - Market Price Method; Comparable Companies Multiples (CCM) Method
- Income Approach - Discounted Cash Flow (DCF) Method
- Asset Approach - Net Asset Value (NAV) Method/ Summation method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach:
Net Asset Value Method
Under the asset approach, the net asset value (NAV) method is considered, which is based on the underlying net assets and liabilities of the company, taking into account operating assets and liabilities on a book value basis and appropriate adjustments for, interalia, value of surplus/ non-operating assets.

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Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the values of their holdings.

Income Approach: Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under DCF method, the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, on a market participant basis, and the sum of such discounted free cash flows is the value of the business from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity – Free Cash Flows to Firm (FCFF) technique; 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.

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 a business.

- Market Price Method: Under this method, the value of shares of a company is determined by taking the average of the market capitalisation of the equity shares of such company as quoted on a recognised stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger/ demerger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary/ preferential issues/ open offer in the shares of the company available in the public domain.

- Comparable Companies Multiples (CCM) Method: Under this method, one attempts to measure the value of the shares/ business of company by applying the derived market multiple based on market quotations of comparable public/ listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company/ business (based on past and/ or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such 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 differences between the circumstances.

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The valuation approaches/ methods used, and the values arrived at using such approaches/ methods have been tabled below:

Valuation Approach	Suven		Cohance	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Income Approach	694.25	50%	25.92	50%
Market Approach				
Market Price Method	665.02	25%	NA	NA
CCM Method	669.06	25%	24.89	50%
Asset Approach	NA	NA	NA	NA
Value per Share	**680.64**	**100%**	**25.40**	**100%**
Exchange Ratio (Rounded off)	**11:295**			

Valuer Notes:

Cohance:

- Cohance has future earnings potential, hence we have applied DCF Method under Income Approach for its valuation.
- There are Comparable Companies in the listed space In India, and therefore we have used CCM Method under Market Approach for valuing Cohance.
- The equity shares of Cohance are not listed on any recognized stock exchange, we have not considered the Market Price Method under Market Approach for its valuation.
- We have not considered valuation as per CTM Method under Market Approach for valuing Cohance, as there is no adequate data available in public domain/our subscribed databases for Comparable Transactions in the unlisted space.
- Cohance is an operating company, its equity value deriving from future earning potential, therefore we have not considered Cost Approach for the valuation.

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Suven:

- Suven has future earnings potential, hence we have applied DCF Method under Income Approach for its valuation.

- There are Comparable Companies in the listed space In India, and therefore we have used CCM Method under Market Approach for valuing Suven.

- Since the equity shares of Suven are listed on the recognized stock exchanges, we have considered the Market Price Method under Market Approach for its valuation. *As per regulations 164 (1) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (last amended on 23 May 2023), If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:*
  a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
  b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date."
  Therefore, we have considered the higher of 90 days or 10 days volume weighted average price as Market Price for computation.

- We have not considered valuation as per CTM Method under Market Approach for valuing Suven, as there is no adequate data available in public domain/our subscribed databases for Comparable Transactions in the unlisted space.

- Suven is an operating company, its equity value deriving from future earning potential, therefore we have not considered Cost Approach for the valuation.

RATIO

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

- 11 (Eleven Only) fully paid-up Equity Shares of Rs. 1 each of Suven for every 295 (Two hundred Ninety Five Only) equity share of Rs 10 each of Cohance; and

Our Valuation report and Equity Share Exchange Ratio is based on the equity share capital structure of the Cohance and Suven as mentioned earlier in this report. Any variation in the equity capital of the Companies may have material impact on the Equity Share Exchange Ratio.

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