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Zenith HEALTHCARE LIMITED

(WHO-cGMP & ISO 9001: 2008 Certified Company)

Registered Office :
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REPORT OF THE AUDIT COMMITTEE OF ZENITH HEALTHCARE LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF ACHYUT HEALTHCARE LIMITED WITH AND INTO ZENITH HEALTHCARE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AT ITS MEETING HELD ON JULY 14, 2026

The following Audit Committee Members were present:

1. Mr. Rutvik S. Thakkar, Chairman & Independent Director
2. Mr. Parag Dave, Independent Director
3. Mr Atul Thakkar, Non Executive Director

1. BACKGROUND:

1.1 A meeting of the Audit Committee of Zenith Healthcare Limited ("**Transferee Company**" or the "**Company**") was held on July 14, 2026, to consider and, if thought fit, recommend to the Board of Directors of the Company, the draft Scheme of Amalgamation of Achyut Healthcare Limited ("**Transferor Company**") with and into the Company and their respective shareholders and creditors ("**Scheme**"), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"), rules and regulations made thereunder read with Section 2(6) of the Income Tax Act, 2025, for the aforementioned amalgamation, consequent dissolution of the Transferor Company without winding up and the issuance of equity shares by the Transferee Company to the equity shareholders of the Transferor Company as consideration.

1.2 The Companies are public limited companies incorporated under the Companies Act, 1956 and their equity shares are listed on the Bombay Stock Exchange Limited ("**BSE**"). Accordingly, the Companies are required to file the Scheme with the BSE for obtaining their respective no-objections letters/ observation letters in terms of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**").

1.3 The Scheme is subject to necessary approvals and sanctions in accordance with the applicable laws, including the approval of the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**").

1.4 This report of Audit Committee is made in order to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circular.

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1.5 The following documents were placed before the Audit Committee for its consideration:

i. Draft Scheme;

ii. Report dated July 14, 2026 issued by Den Valuation (OPC) Private Limited (Registration No.: IBBI/RV-E/06/2021/146) and Vanshika Vijayvargiy (Registration No.: IBBI/RV/06/2026/16084), being the Registered Valuers appointed by the Transferor Company and the Transferee Company, recommending the fair share exchange ratio for the proposed amalgamation on the basis of which the Transferee Company will issue shares to the shareholders of the Transferor Company ("**Share Exchange Report**") in compliance with Paragraphs A(2)(b) and A(4) of Part I of the SEBI Circular.

iii. Fairness Opinion dated July 14, 2026 issued by Aftertrade Broking Private Limited, a SEBI registered Category I Merchant Banker (Registration No. INM000013110), in relation to the Share Exchange Report, in compliance with Paragraph A(2)(d) of Part I of the SEBI Circular.

iv. Draft Certificate issued by Doshi Doshi & Co, Chartered Accountants, the Statutory Auditors of the Company, certifying that the accounting treatment prescribed in the Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under Section 133 of the Act read with the rules made thereunder and other Generally Accepted Accounting Principles in India.

v. Other documents and information relating to the Scheme, including the audited financial results of the Company for the quarter and year ended March 31, 2026.

2. SALIENT FEATURES OF THE SCHEME:

The Audit Committee considered and noted that the Scheme, *inter alia,* provides the following:

i. The amalgamation of the Transferor Company with and into the Transferee Company with effect from the Appointed Date i.e. April 1, 2026 in accordance with Sections 230 to 232 and other applicable provisions of the Act and Sections 2(6) and other applicable provisions of the Income-tax Act, 2025, whereby Transferor Company shall stand amalgamated into the Transferee Company as a

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going concern and accordingly, all its assets (including intangible assets), receivables, deposits, loans and advances, permits, contracts, rights, liabilities, obligations, claims and interests stand transferred to and vested in the Transferee Company.

ii. The Transferor Company shall stand dissolved without winding up and the board of directors and any committees thereof of the Transferor Company shall stand discharged and consequently, all shares of the Transferor Company shall stand cancelled and the status of the Transferor Company appearing on the master data of the Ministry of Corporate Affairs shall stand changed to 'Amalgamated'.

iii. As consideration for the proposed amalgamation, the Transferee Company shall, without any further act or deed, issue and allot fully paid-up equity shares of Rs. 1/- each, as per the below mentioned share exchange ratio, to the equity shareholders of the Transferor Company (save and except to the Transferee Company), whose names are recorded in the register of members and /or records of the depository, on the record date, as follows:

119 (One Hundred Nineteen) fully paid-up Equity Shares of the Transferee Company having face value of INR. 1 (Rupee One only) each for every 50 (Fifty) fully paid-up Equity Shares of INR. 1 (Rupee One only) each of the Transferor Company.

iv. The entire authorized share capital of the Transferor Company shall stand combined with and be deemed to be added to the authorized share capital of the Transferee Company in accordance with Section 232(3) (i) of the Act.

2.2 The "Appointed Date" has been defined to mean April 01, 2026 or such other date as may be approved / directed / fixed by the NCLT and the "Effective Date" has been defined to mean the last of the dates on which all the conditions precedent set forth in Clause 21 of this Scheme are fulfilled.

2.3 As per Clause 21 of the Scheme, the effectiveness of the Scheme is conditional upon the following: (i) Receipt of no-objection / observation letter from the BSE in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations; (ii) This Scheme having been approval by the requisite majorities of shareholders and / or creditors of the respective Companies as applicable or as may be required under the Act and as may be directed by the NCLT; (iii) The Companies complying with the provisions of the SEBI Circulars, including (a) providing the public shareholders with e-voting facility for voting on the Scheme, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution; and (b) acting upon the

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Scheme only if the votes cast by the public shareholders of the respective Companies in favour of the Scheme are more than the number of votes cast by the public shareholders of the respective Companies against the Scheme; (iv) The Scheme having been approved / sanctioned by the NCLT under Section 230 to 232 and other applicable provisions of the Act; and (v) The certified copy of the Sanction Order having been filed by the Companies with the Registrar of Companies.

2.4 The shares issued and allotted by the Transferee Company under the Scheme would be listed on BSE.

3. NEED FOR THE AMALGAMATION, RATIONALE OF THE SCHEME AND SYNERGIES OF BUSINESS OF THE COMPANIES INVOLVED IN THE SCHEME

3.1 The Transferor Company is currently engaged in the business of trading and dealing *inter alia* in active pharmaceutical ingredients (APIs) and pharmaceutical products. The Transferor Company is also undertaking the installation and commissioning of plants and equipment to establish manufacturing facilities for the production of General Tablets, Effervescent Tablets, Capsules (General and Soft Gel), Liquid Inhalation (Sevoflurane) and Sachet, in accordance with internationally recognised standards of Good Manufacturing Practice (GMP), WHO cGMP certification and EU certification.

3.2 The Transferee Company is primarily engaged in the business of manufacturing, marketing, sale and export of pharmaceutical products and medical products preparations.

3.3 The promoters of the Transferor Company and the Transferee Company are of the same group and both Companies operate in the pharmaceutical industry, therefore, the proposed amalgamation of the Transferor Company with and into the Transferee Company will lead to increased revenues and financial, operational and organizational efficiency and is further expected to provide *inter alia* the following benefits:

i. enhancement of the product portfolios and the marketing capabilities of both Companies, which will further result in more comprehensive fulfilment of the consumer needs and strengthening the consumer base of the combined entity;

ii. the Transferor Company is currently developing a pharmaceutical manufacturing facility intended to be in conformity with the EU Good Manufacturing Practice (GMP) certification, and upon obtaining the requisite accreditation / certification (subject to the applicable regulations) thereof, the amalgamation will enable the

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Transferee Company to access larger production capacity and specialized products range which will unlock new market opportunities in the regulatory markets with rigorous compliance standards;

iii. the Transferee Company manufactures Therapeutic category of Human Tablets and Capsules, Oral Liquid, Dry Powder, Directly Compressible Granules (DCG) and Special Products range of Psychotropic and Narcotics Products in its existing manufacturing facility that is in conformity to the standards of WHO cGMP and export these products in 11 (eleven) countries and therefore, the amalgamation is expected to result in an expanded consumer base and greater synergies across different markets for the combined entity, thereby contributing to value creation for the shareholders of the Transferor Company;

iv. creation of long-term value for the shareholders of the Transferor Company by leveraging brand value, reputation and long-standing manufacturing expertise of the Transferee Company;

v. the amalgamation will allow optimization of manufacturing capacity across facilities of both Companies;

vi. the Transferor Company and Transferee Company falls under the same group and pursuant thereto, the amalgamation will simplify the group structure and reduce the number of entities in the group that operate in similar or related businesses which will facilitate efficient management and smoother operations of the business of the combined entity;

vii. the unified and stronger balance sheet of the combined entity, upon the amalgamation, will strengthen the revenue generation and financial capacity, improve access to capital and increase financial flexibility of the combined entity to undertake any further development and expansion;

viii. streamlining of legal and regulatory compliances including preparation of regulatory document and product registration and reduction in overall compliance costs;

ix. reduction in overheads, administrative, managerial and other such expenditure and optimum utilization of resources;

x. synergies of operations and greater economies of scale by optimisation of procurement, manufacturing facility (production), distribution, and trading network of both the Companies and thereby eliminating duplication of functions;

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xi. enable pooling of human resource, research and development capabilities and technical expertise across manufacturing, sourcing / procurement, management and administration functions leading to increase competitive strength and efficiencies for the combined entity; and

xii. creation of long-term value for the shareholders, creditors, employees, and other stakeholders of the Transferor Company and the Transferee company as the combined entity will enable the management to form a focused and streamlined strategy for business operations, growth and future expansion opportunities.

3.4 The amalgamation would be beneficial and not prejudice or adversely affect the interest of the shareholders, creditors, employees, and other stakeholders of the Companies.

4. IMPACT OF THE SCHEME ON THE COMPANY AND ITS SHAREHOLDERS

4.1 The Audit Committee discussed and deliberated upon the salient features of the Scheme, its rationale, need for the amalgamation and the synergies and noted that the proposed Scheme is not detrimental to the shareholders of the Company since the proposed amalgamation would result in economies of scale by optimization of procurement, manufacturing facility (production), distribution and trading network of both Companies and greater synergies across different markets, thereby contributing to long-term value creation for the shareholders of the Company. The proposed amalgamation will also enable the Company and its shareholders access to larger production capacity and specialized products range which will unlock new market opportunities in the regulatory markets with rigorous compliance standards.

4.2 Further, in terms of the Scheme, the Company shall issue and allot its equity shares, as per the abovementioned share exchange ratio, to the equity shareholders of the Transferor Company (save and except to the Company), whose names are recorded in the register of members and /or records of the depository, as on the Record Date. Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and the shareholders of the Transferor Company, shall become shareholders of the Company.

4.3 The post-amalgamation shareholding of the Transferee Company / Company is expected to be as follows, with no shareholders of either of the Companies expected to have any disproportionate advantage or disadvantage in any manner:

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Category	No. of Shares & % of holding (Pre-Amalgamation)	No. of Shares & % of holding (Post-Amalgamation)
Promoter and Promoter Group	1,54, 43, 579 (28.74%)	28,77,22,683 (45.80%)
Public	3, 82, 95, 421 (71.26%)	34,04,45,977 (54.20%)
Total	5,37, 39, 000	62,81,68,660

4.4 Therefore, the Audit Committee was of the informed opinion that the proposed Scheme is fair and in the interest of the shareholders.

5. COST BENEFIT ANALYSIS OF THE SCHEME

5.1 The Audit Committee took note that the proposed Scheme will entail certain transaction costs including implementation costs, legal costs and regulatory fees. However, after proper evaluation of the proposed Scheme, the Audit Committee is of the view that the long term benefits (as detailed in Paragraph 3 above) are expected to outweigh such transaction costs. Terefore, the Audit Committee believes that the proposed Scheme will be beneficial for the Companies and their respective shareholders.

6. RECOMMENDATION OF THE AUDIT COMMITTEE

6.1 Taking into consideration the draft Scheme, Share Exchange Report, fairness opinion, need for the amalgamation, rationale of the Scheme, synergies of business of the Companies, impact of the Scheme on the Company and its shareholders, and cost benefit analysis of the Scheme, and other documents placed before the Audit Committee, the Audit Committee recommends the draft Scheme for the favourable consideration and approval by the Board of Directors of the Company. In order for the Company to comply with the SEBI Circular, this report may be taken on record by the Board of Directors of the Company while considering the draft Scheme for approval.

By Order of the Audit Committee
For and on behalf of Zenith Healthcare Limited

Chairman of the Audit Committee
Rutvik S. Thakkar (DIN: 09387486)

Date: July 14 ,2026
Place: Ahmedabad