



Corporate

## Ind-Swift Limited

781, Industrial Area, Phase-II,  
Chandigarh - 160 002 INDIA  
Ph. : 0172- 4680800, 2638781  
Fax : 0172-2652242  
E-mail : corporate@indswift.com  
CIN No. : L24230CH1986PLC006897

### Declaration

I, Ginny Uppal, Company Secretary & Compliance Officer, Ind-Swift Limited ('Company'), do hereby declare and confirm that:

- No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation;
- There are no listed debt obligations of the Company;

For & on behalf of

Ind-Swift Limited

*Ginny Uppal*  
Ginny Uppal

Company Secretary & Compliance Officer  
Membership No. 53483



Place: Chandigarh

Date: 27.09.2023



**Ajay Kumar Siwach**  
FCS, LL.B, IP, RV, MBA

Registered Valuer – SFA  
Insolvency Professional  
Certified Independent Director  
Certified Social Auditor

# **VALUATION ANALYSIS**

**FOR THE PROPOSED AMALGAMATION BETWEEN**

**IND SWIFT LIMITED**  
**(TRANSFEROR COMPANY)**

**AND**

**IND SWIFT LABORATORIES LIMITED**  
**(TRANSFeree COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013)**



To,  
The Board of Directors  
Ind Swift Laboratories Limited  
SCO 850, Shivalik Enclave,  
Nac, Manimajra Chandigarh,  
Chandigarh – 160 101, India

To,  
The Board of Directors  
Ind Swift Limited  
781 Industrial Area Phase II,  
Chandigarh – 160 002, India

Dear Sir/Ma'am,

**Subject: Recommendation of Equity Share Exchange Ratio pursuant to the proposed Scheme of Arrangement for Amalgamation between Ind Swift Limited (Transferor Company/ “ISL”) with Ind Swift Laboratories Limited (“Transferee Company”/ “ISLL”)**

I, **Ajay Kumar Siwach**, refer to the engagement letter dated 07<sup>th</sup> September 2023 for recommendation of share exchange ratio for the proposed Amalgamation between **Ind Swift Limited (Transferor Company/ “ISL”)** with **Ind Swift Laboratories Limited (“Transferee Company”/ “ISLL”)**, pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013. In accordance with the terms of the engagement, I am enclosing the Valuation Report along with this letter. In attached report, I have summarized the recommendation of equity share exchange ratio based on Limited Review Balance Sheet of Transferor Companies and Projected Post Slump Sale Balance Sheet based on 30<sup>th</sup> June 2023 Limited Review Standalone Financials of Transferee Company as on 30<sup>th</sup> June 2023 as required by the BSE, together with the description of methodologies used and limitation on the Scope of Work.

This Valuation Analysis is confidential and has been prepared exclusively for the Management of the Companies. It should not be used, reproduced, or circulated to any other person, in whole or in part, without the prior written consent of Mr. Ajay Kumar Siwach (Registered Valuer). Such consent will only be given after full consideration of the circumstance at the time. I am however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures, and I provide consent for the same.

Trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully

For Ajay Kumar Siwach  
Registered Valuer – Securities or Financial Assets  
Registration No.: IBBI/RV/05/2019/11412

Date: 25<sup>th</sup> September 2023



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## SECTION I –APPOINTMENT FOR DETERMINATION OF SHARE EXCHANGE RATIO

This Valuation Report has been prepared by Mr. Ajay Kumar Siwach to determine share exchange ratio for Amalgamation between **Ind Swift Limited (Transferor Company/ “ISL”)** with **Ind Swift Laboratories Limited (“Transferee Company”/ “ISLL”)** under the provisions of Section 230-232 of the Companies Act, 2013. I have been appointed on 07<sup>th</sup> September 2023 to issue this Valuation Report.

### BRIEF OF THE COMPANIES INVOLVED UNDER THIS ARRANGEMENT

- 1. Ind Swift Limited (herein after also referred to as ‘ISL’ or ‘Transferor Company’)**, bearing CIN L24230CH1986PLC006897 was incorporated on 06<sup>th</sup> June 1986 under the provisions of Companies Act, 1956 having registered office at 781, Industrial Area Phase II, Chandigarh -160002. Transferor Company is engaged in the business of manufacturing of Pharmaceutical Products. ISL is a leading pharmaceutical manufacturer of Finished Dosages Form (FDF) with national and international presence based in Chandigarh. Its strength lies in innovative pharmaceutical products. The Transferor Company is listed on the bourses of BSE Limited and the National Stock Exchange of India Limited.
- 2. Ind Swift Laboratories Limited (herein after also referred to as ‘ISLL’ or ‘Transferee Company’)** bearing CIN L24232CH1995PLC015553 was incorporated on 04<sup>th</sup> January 1995 under the provisions of Companies Act, 1956 having registered office at SCO 850, Shivalik Enclave, NAC, Manimajra Chandigarh -160101. The Transferee Company is primarily engaged in inter-alia in the business of manufacturing and marketing of Active Pharmaceutical Ingredients (APIs), Intermediates and Finished Dosages. The Transferee Company has recently entered a slump sale transaction with a Company namely Synthimed Labs Private Limited to sell its API business which is yet to be completed. The Transferee Company is also listed on the bourses of BSE Limited and the National Stock Exchange of India Limited.

### **1. OBJECTIVES AND RATIONALE OF THE SCHEME:**

The Transferee Company has recently entered into a Business Transfer Agreement to sell its API and CRAMS Business. The proceeds of the said sale shall be used primarily to repay its debt and to discharge other financial obligations. Post the completion of this transaction, the Transferee Company will be left with Surplus Cash along with some residual business i.e., Finished Dosages Forms (FDF) Business. The Transferor Company is also engaged in the manufacturing of Pharmaceutical Products including FDF and amalgamation of the Transferor Company with the Transferee Company will create a synergy benefit wherein the Transferee Company will get working business undertaking and the combined business will get exposure to good working capital. The Transferor Company and Transferee Company belong to the the same group i.e., the Ind-swift group. The Board of Directors of the Transferor Company and the Transferee Company believe that the amalgamation of the Transferor Company with the Transferee Company is expected to enable better realization of potential of business, better exposure of working capital, easy repayment of the debt of the Transferor Company. It would enable enhanced value creation for the companies involved in the Scheme, their respective Shareholders, and Creditors.

This Scheme of Amalgamation would result, inter-alia, in the following benefits:

- **Strengthened Competitive Position:**

The amalgamation will result in a stronger financial position, bolstering the combined entity's competitive strengths. This improved financial capacity will provide greater flexibility and resilience to pursue strategic initiatives, including expansion and innovation.



- **Consolidation of Businesses:**  
Combining the operations of both companies facilitates the consolidation of their respective businesses. This consolidation not only creates economies of scale but also simplifies management and strategic focus, leading to better long-term performance.
- **Value Addition and Shareholder Value:**  
The amalgamation is expected to contribute to economic value addition for both companies involved. Shareholders of both the Transferor Company and the Transferee Company are likely to benefit from the increased value created through synergies, cost savings, and improved financial performance.
- **Operational Rationalization and Efficiency:**  
The amalgamation is expected to result in a reduction of overheads, administrative costs, managerial expenses, and other operational redundancies. This streamlining of operations will lead to increased efficiency and optimized resource utilization.
- **Enhanced Growth Prospects:**  
The amalgamation positions the combined entity for greater growth and expansion opportunities. A larger, more robust company is likely to attract more opportunities for partnerships, acquisitions, and market expansion, translating into enhanced financial prospects. The increased financial stability and growth prospects of the merged entity are likely to benefit not only its stakeholders but also the broader community connected to its operations.
- **Improved Control and Governance:**  
Amalgamation facilitates better and more efficient control over the business and financial conduct of the companies. It allows for a more streamlined and coordinated approach to governance and strategic decision-making.
- **Footprints in Formulation Business:**  
The Transferee Company has already entered into the formulation business through joint ventures. The amalgamation complements this strategic move by providing access to additional resources, expertise, and potential synergies, enabling a more comprehensive and competitive presence in the pharmaceutical industry.
- **Debt Repayment Challenges:**  
The Transferor Company has faced challenges in meeting its debt obligations, with a significant lump-sum payment due in March 2024. The Transferor Company has tried to raise funds to fulfil its debt repayment obligations. The Transferor Company has actively sought to refinance its debt, but these efforts have proven unsuccessful. The amalgamation offers a strategic solution to address these debt repayment challenges, potentially alleviating creditor pressure and ensuring the company's financial stability.

## 2. **SCOPE OF SERVICES:**

The Companies have appointed Mr. Ajay Kumar Siwach, Registered Valuer to independently analyze and undertake the valuation of **Ind Swift Limited (Transferor Company/ “ISL”)** and **Ind Swift Laboratories Limited (“Transferee Company”/ “ISLL”)**, companies involved in the proposed Scheme of Arrangement under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.





### 3. **SCOPE & LIMITATIONS:**

#### **SCOPE OF WORK**

- **Date of Appointment:** 07<sup>th</sup> September 2023
- **Valuation Date:** Based on 30<sup>th</sup> June 2023 Financials
- **Date of Report:** 25<sup>th</sup> September 2023
- **Base of value:** Fair value
- **Valuation Currency:** INR

#### **THE VALUATION EXERCISE WAS CARRIED OUT UNDER THE FOLLOWING LIMITATIONS:**

To arrive at the share exchange ratio under the said Proposed Scheme of Arrangement, I have relied upon:

- Limited Review Balance Sheet as of 30<sup>th</sup> June 2023 and Limited Review Statement of Profit and Loss for the 3 Months Period ended 30<sup>th</sup> June, 2023 of **Ind Swift Limited (Transferor Company/ “ISL”)** and Projected Post Slump Sale Balance Sheet based on 30<sup>th</sup> June 2023 Limited Review Standalone Financials of **Ind Swift Laboratories Limited (“Transferee Company”/ “ISLL”)**.
- The scope of the work has been limited both in terms of the areas of the business and operations that I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.
- Draft Scheme of Arrangement as provided by the management.

#### **EXTENT OF INVESTIGATION UNDERTAKEN**

I would like to expressly state that though I have reviewed the financial data for the limited purpose of valuation assessment, but I have not performed an Audit and have relied upon the historical financials (Statement of Profit and Loss and Balance Sheet) as prepared and submitted to me by the management of both the companies. The management has represented to me that it has taken due care in the preparation of such financial statements.

**SECTION – II COMPANIES ASSESSMENT**

1. **Ind Swift Limited (hereinafter also referred to as ‘ISL’ or ‘Transferor Company’)**, bearing CIN L24230CH1986PLC006897 was incorporated on 06<sup>th</sup> June 1986 under the provisions of Companies Act, 1956 having registered office at 781, Industrial Area Phase II, Chandigarh – 160 002. Transferor Company is engaged in the business of manufacturing Pharmaceutical Products. ISL is a leading pharmaceutical manufacturer of Finished dosage Form (FDF) with a national and international presence based in Chandigarh. Its strength lies in innovative pharmaceutical products. The Transferor Company is listed on the bourses of BSE Limited and the National Stock Exchange of India Limited.

**Limited Review Balance Sheet as on 30<sup>th</sup> June 2023:**

Particulars	Amount in INR Million
Share Capital	108.33
Reserves and Surplus	(7,131.69)
Non-Current Liabilities	4,199.28
Current liabilities and provisions	9,390.66
<b>Equity &amp; Liabilities</b>	<b>6,566.58</b>
Non-Current Assets	3,738.25
Current Assets	2,828.32
<b>Total Assets</b>	<b>6,566.58</b>

**Limited Review Statement of Profit and Loss for the 3 Months period ended 30<sup>th</sup> June 2023:**

Particulars	Amount in INR Million
Revenue from Operations	1,485.36
Other Income	56.30
<b>Total Revenue</b>	<b>1,541.66</b>
Operating Expenses	1,301.38
<b>EBITDA</b>	<b>240.29</b>
Depreciation & Amortization	67.21
<b>EBIT</b>	<b>173.08</b>
Finance Cost	149.45
<b>Profit before Tax (PBT)</b>	<b>23.62</b>

**The Capital Structure of the Company as on 30<sup>th</sup> June 2023:**

Particulars	Amount (INR)
Authorized Share Capital	
Equity share capital- 7,50,00,000 shares of Rs. 2/- each	
Cumulative Redeemable Preference share capital- 25,00,000 shares of Rs. 100/- each	40,00,00,000.00
<b>Total</b>	<b>40,00,00,000.00</b>
Issued, Subscribed, and Paid-Up Share Capital	
5,41,64,653 Equity Shares of Rs. 2/- each	
14,20,000 Cumulative redeemable Preference share of Rs. 100/- each	25,03,29,306.00
<b>Total</b>	<b>25,03,29,306.00</b>





2. **Ind Swift Laboratories Limited (hereinafter also referred to as ‘ISLL’ or ‘Transferee Company’)** bearing CIN L24232CH1995PLC015553 was incorporated on 04<sup>th</sup> January 1995 under the provisions of Companies Act, 1956 having registered office at SCO 850, Shivalik Enclave, NAC, Manimajra Chandigarh – 160 101. The Transferee Company is primarily engaged in interalia in the business of manufacturing and marketing of Active Pharmaceutical Ingredients (APIs), Intermediates, and Finished Dosages. The Transferee Company has recently entered a slump sale transaction with a Company namely Synthimed Labs Private Limited to sell its API business which is yet to be completed. The Transferee Company is also listed on the bourses of BSE Limited and the National Stock Exchange of India Limited.

**Projected Post Slump Sale Balance Sheet based on 30<sup>th</sup> June 2023 Limited Review Standalone Financials:**

Particulars	Amount in INR Million
Share Capital	598.06
Reserves and Surplus	8,703.62
Non-Current Liabilities	12.46
Current liabilities and provisions	-
Equity & Liabilities	9,314.13
Non-Current Assets	1,087.72
Current Assets	8,226.41
Total Assets	9,314.13

**The Capital Structure of the Company as on 30<sup>th</sup> June 2023:**

Particulars	Amount (INR)
Authorized Share Capital	
60,000,000 Equity Share of Rs. 10/-each	60,00,00,000.00
Total	60,00,00,000.00
Issued, Subscribed and Paid-Up Share Capital	
59,086,860 Equity Share of Rs. 10/-each fully paid up	59,08,68,600.00
Total	59,08,68,600.00



### SECTION III - METHODS OF VALUATION ADOPTED

In case of a valuation for Amalgamation, the emphasis is on arriving at the “relative” values of the shares of the merging companies to facilitate determination of the “share exchange ratio”. Hence, the purpose is not to arrive at absolute values of the shares of the companies.

**Judicial Pronouncements: -**

**Hindustan lever Employees’ Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC)**

The jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. A company court does not exercise appellate jurisdiction. It exercises a jurisdiction founded on fairness. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such a determination should not have been contrary to law and that it was not unfair for the shareholders of the company which was being merged.

The Hon’ble Supreme Court held “We do not think that the internal management, business activity or institutional operation of public bodies can be subjected to inspection by the court. To do so, is incompetent and improper and, therefore, out of bounds.”

The **dominance of profits for valuation of share was emphasized in “McCathies case”** (Taxation, 69 CLR 1) where it was said that *“the real value of shares in a company will depend more on the profits which the company has been making and should be capable of making, having regard to the nature of its business, than upon the amount which the shares would realize on liquidation”*. This was also re-iterated by the Indian Courts in Commissioner of Wealth Tax v. **Mahadeo Jalan’s case (S.C.)** (86 ITR 621) and Additional Commissioner of Gift Tax v. Kusumben D. Mahadevia (S.C.) (122 ITR 38).

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment considering all the relevant factors. There will always be several factors, e.g., present, and prospective competition, yield on comparable securities, and market sentiments etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.

Based on the facts of the case, I have valued **Ind Swift Limited (Transferor Company/ “ISL”)** and **Ind Swift Laboratories Limited (“Transferee Company”/ “ISLL”)** as per Internationally Accepted Valuation Methodologies.



**SECTION – IV VALUATION ANALYSIS**

There are three approaches to Valuation namely Income, Asset, and Market Approaches.

Approach	Valuation Methodologies	Basis of Consideration
Asset	Adjusted Net Asset Value (NAV) Method	<p>The Asset-based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value.</p> <p><b>In the case of the transferee Company, I have deemed it suitable to apply NAV as the Company has a huge quantum of Investment in assets and this method involves identifying and valuing a company's assets which is quite objective and reliable as the company has stable and predictable asset values.</b></p> <p><b>However, in the case of the Transferor Company, there are no significant investments in assets made by the Company along the Book Value of the Company is negative, hence, I deemed it suitable to avoid the Adjusted Net Asset Value (NAV) Method.</b></p>
Market	Comparable Companies Multiples (CCM) Method	<p>This methodology uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g., Revenue, EBITDA, EBIT, Earnings per Share or Book Value). A key benefit of Comparable Company Market Multiple analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because it is based on observable inputs.</p> <p><b>In the instant case, both companies are listed on the Stock Exchange and are frequently traded in the National Stock Exchange (NSE). Hence, I deemed it suitable to consider the Market Price in the NSE for the valuation exercise instead of the Comparable Multiples of the Transferor and Transferee Companies.</b></p>
	Market Price Method (90 Trading Days (TD) –10 Trading Days (TD))	<p>In this method, the VWAP (Volume Weighted Average Price) of the latest 90 Trading days (TD) VWAP and 10 Trading days are taken. The maximum of these two is then taken as the fair market value.</p> <p><b>Since both Companies are listed on the Stock Exchanges and are frequently traded on the NSE, I have applied this methodology in this instant case for Transferor and Transferee Companies.</b></p>
Income	Discounted Free Cash Flow (DFCF) Method	<p>The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to the Firm and discounting the same with the Weighted Average cost of capital (WACC). The DFCF methodology is the most appropriate basis for determining the earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex are met.</p> <p><b>In the case of Transferee Company, I have deemed it suitable to avoid the DFCF Method as the Company has a huge quantum of Investment assets and this method involves valuing a company based on the future cash flows. However, the future cash flows from Investment Assets might not be accurate and reliable when computing the Company's worth.</b></p> <p><b>In the case of the Transferor Company, having a business that is expected to be continued in future years along with minimal Investment assets, hence I deemed it suitable to do a valuation of the Company as per the Discounted Free Cash Flow (DFCF) Method.</b></p>

**1. Ind Swift Limited (Transferor Company)**Computation of Equity value per share of the Company based on 30<sup>th</sup> June 2023 Financials:**a) Market Price Method (90 Trading Days (TD) –10 Trading Days (TD))**

Particular	Details
Total Value of the Shares trading of 90 TD	4,34,49,860.15
Total No. of shares Traded in 90 TD	30,71,470
90 TD VWAP	14.15
Total Value of the Shares trading of 10 TD	1,20,13,838.30
Total of No. of Shares Traded in 10 TD	5,24,478
10 TD VWAP	22.91
Maximum price (INR)	22.91
Number of Equity Shares	5,41,64,653
Total Equity Value (INR)	1,24,07,10,540.23
Total Equity Value (INR Mn)	1,240.71

**b) Discounted Free Cash Flow (DFCF) Method**

Discounted Free Cash Flow Analysis - Ind Swift Limited									
WACC :	10.92%	Amount In INR Million							
GROWTH RATE :	4%								
FY	2024 (9 Months)	2025	2026	2027	2028	2029	2030	2031	Terminal
Particulars									
Turnover	3,126.98	5,351.74	5,822.84	6,337.85	6,901.00	7,408.57	7,954.53	8,541.83	
Other Income	109.28	185.24	197.03	230.00	244.27	256.83	290.39	305.04	
PBT (Excluding Other Income)	(248.63)	(150.65)	(61.38)	75.70	234.68	379.78	545.32	722.71	
Less: Direct Taxes Paid	-	-	-	-	-	-	78.78	181.89	
PAT (Excluding Other Income)	(248.63)	(150.65)	(61.38)	75.70	234.68	379.78	466.54	540.82	
Add: Depreciation	270.44	340.29	340.60	341.69	345.35	352.26	361.58	378.35	
Less: Capital Expenditure	249.45	54.50	6.40	22.50	75.40	142.50	192.20	345.80	
Add: Interest (Post-tax)	99.97	483.91	447.18	392.68	326.13	248.15	136.33	45.91	
Less: Change in Non-Cash Working Capital	98.59	133.57	82.82	90.30	101.02	89.04	93.08	100.13	
Free Cash Flows to Firm	(226.26)	485.48	637.17	697.27	729.74	748.65	679.17	519.16	7,669.93
Discounting Factor (Mid-Year)	0.96	0.88	0.79	0.71	0.64	0.58	0.52	0.47	0.47
Present value of Cash flow	(217.63)	426.49	504.63	497.85	469.74	434.46	355.33	244.87	3,617.71
Enterprise Value	6,333.45								
Add: Cash and cash equivalents	139.33								
Add: Surplus Assets*	851.95								
Less: Debts	6,379.83								
Less: Leases	2.09								
Less: Interest Accrued	83.41								
Equity Value	859.40								

**\*Surplus Assets:**

Particulars	No. of Shares	Book Value (INR Million)	Fair Value per Share (INR Million)	Fair Value (INR Million)
Ind Swift Laboratories Ltd	94,99,720	524.77	85.50**	812.23
Essix Biosciences Ltd	3,00,000	12.56	132.42***	39.73
<b>Total</b>		<b>537.33</b>		<b>851.95</b>

\*\*Considered the Closing Market Price of BSE as on 22<sup>nd</sup> September 2023.

\*\*\*Refer the Annexure 2

**Note:**

For the purpose of valuation of equity in this transaction through DFCF methodology, I have relied upon the projections provided by the management for the period starting from 01<sup>st</sup> July 2023 and ending 31<sup>st</sup> March 2031 duly supplemented by its Terminal Value based on the Gordon Growth Model and extrapolating the adjusted free cash flows for last year at an annual growth rate of 4% to perpetuity.

**DFCF Assumptions:**

Particulars	Notes	
Risk free rate (Rf) as on 30.06.2023	7.11%	Considered of long-term India government bond rate
Market rate of return - ER(m)	15.18%	Considered the BSE Sensex for the determination of the Market Return.
Company Beta... (β)	0.30	I have taken the Beta value (B) as 0.30 since the Company's shares are listed, hence, I have taken the company's data to arrive to the beta.
Additional Company Specific (Including Small Company)	2.50%	I have given 2.50% additional risk premium on account of Business risk.
Risk Premium		
(Unsystematic risk) (CSRP)		
Cost of Equity (Ke)	12.06%	As per Modified CAPM model i.e. $[K_e = R_f + \beta(R_m - R_f) + CSRP]$
Cost of Debt	9%	As represented by the Management & Financials of the Company
Equity portion in capital structure	78.55%	
WACC	10.92%	$WACC = (K_e * \% \text{ Equity in Capital Structure}) + (\text{Cost of Debt} * \% \text{ Debt in Capital Structure} * (1 - \text{Tax Rate}))$
Growth Rate	4%	The perpetuity growth rate assumes that the company will continue its historic business and generate Free Cash Flows at a steady state forever. Since terminal value constitutes a major proportion of the entire value of the business, while deciding the terminal growth rate have given emphasis to economic factors & financial factors like Inflation of the Country, GDP growth of the Country, Projected Financials, Historical Financial Position, Organic & Inorganic growth strategies of the Company, etc. Accordingly, for perpetuity, I have considered 4% growth rate



**Computation of the Fair Value of Ind Swift Limited:**

				All Amount INR Millions
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Market	90 Trading Days - 10 Trading Days	100%	1,240.71	1,240.71
Income	Discounted Free Cash Flow	0%	859.40	-
Weighted Average Equity Value				1,240.71
No. of Equity Shares				5,41,64,653
Value per Equity share (INR)				22.91

**Weightage Rationale:**

As ISL will transfer its business to ISLL in the Amalgamation process and will not continue the business. I have considered giving Nil weightage to the DFCF. Further, the Value as computed by the DFCF Method does not comprehend the value as reached by the Market Price Method. Hence, I deemed it suitable to consider 100% weightage to the Market Price Method.



**2. Ind Swift Laboratories Limited (Transferee Company)**Computation of Equity value per share of the Company based on 30<sup>th</sup> June 2023 Financials**a) Adjusted Net Asset Value (NAV) Method**

IND-SWIFT LABORATORIES LIMITED	
Particulars	All Amount INR Million
Equity Share Capital	598.06
Reserves and Surplus	8,703.62
<b>Net Asset Value</b>	<b>9,301.67</b>
Appreciation/ (Diminution)*	368.86
<b>Adjusted Net worth</b>	<b>9,670.53</b>

\*Appreciation/ (Diminution)

Non-Current Investments						
Particular	No of Share /Stake	Book Value	Book Value per share	Fair Value per share	Fair Value	Appreciation/ (Diminution)
<b>Investment in Equity shares of Subsidiaries:</b>						
i) Ind Swift Laboratories Inc., USA <sup>1</sup>	1,204	54.41	45,191.15	1,68,614.10	203.01	148.60
ii) Fortune (India) Construction Ltd <sup>2</sup>	7,35,40,000	724.84	9.86	10.85	797.77	72.93
<b>Other Investments:</b>						
i) Essix Biosciences Limited <sup>3</sup>	12,35,000	53.62	43.42	132.42	163.54	109.92
ii) Mohali Green Investment Pvt. Ltd <sup>4</sup>	30,000	0.30	10.00	10.82	0.32	0.02
iii) Indis Healthcare <sup>5</sup>	50%	17.50	3,50,00,000.00	3,80,44,948.52	19.02	1.52
iv) MJM Remedies Private Ltd <sup>6</sup>	7,500	0.08	10.00	7.38	0.06	(0.02)
v) MJM Remedies Private Ltd – Debt <sup>7</sup>	1	0.50	5,00,000.00	5,00,000.00	0.50	-
<b>Total</b>	<b>7,48,13,705.50</b>	<b>851.25</b>			<b>1,184.23</b>	<b>332.98</b>

1. Refer the Annexure 1
2. Considered the Fair Value as provided by the Management via Report Dated 18<sup>th</sup> September 2023.
3. Refer the Annexure 2
4. Considered the Fair Value as provided by the Management via Report Dated 18<sup>th</sup> September 2023.
5. Refer the Annexure 3
6. Refer the Annexure 4
7. The debt as given to MJM Remedies Private Limited; the Book Value is considered the Fair Value.

Investment property			
Particular	Book Value	Fair Value	Appreciation / (Diminution)
<b>FLATS &amp; OFFICE</b>	<b>24.12</b>	<b>60.00<sup>#</sup></b>	<b>35.88</b>

#Considered as per the representation given by the Management of the Company.

**b) Market Price Method (90 Trading Days (TD) –10 Trading Days (TD))**

Particular	Details
<b>Total Value of the Shares trading of 90 TD</b>	<b>4,14,04,31,633.40</b>
<b>Total No. of shares Traded in 90 TD</b>	<b>4,31,39,068</b>
<b>90 TD VWAP</b>	<b>95.98</b>
<b>Total Value of the Shares trading of 10 TD</b>	<b>50,45,86,800.05</b>
<b>Total of No. of Shares Traded in 10 TD</b>	<b>53,91,462</b>
<b>10 TD VWAP</b>	<b>93.59</b>
<b>Maximum price (INR)</b>	<b>95.98</b>
<b>Number of Equity Shares</b>	<b>5,90,86,860</b>
<b>Total Equity Value (INR)</b>	<b>5,67,10,79,965.43</b>
<b>Total Equity Value (INR Mn)</b>	<b>5,671.08</b>

**Computation of the Fair Value of Ind-Swift Laboratories Limited:**

Fair Value of IND-SWIFT LABORATORIES LIMITED				
All Amount INR Millions				
Approach Applied	Methodology Applied	Weight	Equity Value	Weighted Average Equity Value
Asset	Net Asset Value	80%	9,670.53	7,736.43
Market	90 Trading Days - 10 Trading Days	20%	5,671.08	1,134.22
<b>Weighted Average Equity Value</b>				<b>8,870.64</b>
<b>No. of Equity Shares</b>				<b>5,90,86,860</b>
<b>Value per Equity share (INR)</b>				<b>150.13</b>

**Weightage Rationale:**

The Transferee Company do not have any business operation currently, however, have Non-Current Investments & Cash Balances in its Assets Portfolio, hence, the Net Assets Value is given 80% (higher) weightage as compared to the Market Price Method i.e., 20% Weightage.



**SECTION V –SHARE EXCHANGE RATIO**

**SHARE EXCHANGE RATIO FOR AMALGAMATION: -**

BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 requires the valuation report for a Scheme of Arrangement to provide certain requisite information in a specified format.

Valuation Approach	Methodology Applied	Ind Swift Limited (Transferor)			Ind Swift Laboratories Limited (Transferee)		
		Weights	Equity Value Per Share (INR)	Weighted Equity Value Per Share (INR)	Weights	Equity Value Per Share (INR)	Weighted Equity Value Per Share (INR)
Asset	Adjusted Book Value	Nil	Nil	22.91	80%	163.67	150.13
Market	Comparable Companies Multiples	Nil	Nil		Nil	Nil	
	Market Price Method	100%	22.91		20%	95.98	
Income	Discounted Cash Flow	0%	15.87		Nil	Nil	

Based on the above analysis, the share exchange ratio has been arrived at, and accordingly, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Transferor Company whose names are recorded in the Register of Members/ List of Beneficial Owners for shares in dematerialized form of the Transferor Company on the Record Date.

Calculation Of Exchange Ratio		
Company Name	Ind Swift Laboratories Limited (Transferee Company)	Ind Swift Limited (Transferor Company)
Equity Value Per Share (INR)	150.13	22.91
Exchange Ratio	1.00	0.15
Exchange Ratio For 100 Shares	100	15

“Ind Swift Laboratories Limited” (Transferee Company) shall issue and allot 15 (Fifteen) Equity Shares of Face Value of INR 10.00/- (Rupees Ten Each) each to Equity Shareholders of “Ind Swift Limited” (Transferor Company) for every 100 (One Hundred) Equity Share of Face Value of INR 2/- (Rupees Ten Each) each held by them in the Transferor Company.

**SECTION VI-ANNEXURES**

The annexure includes the valuation exercise of the step-down companies which are held as an investment by the Transferor and Transferee Companies: -

**1. Ind Swift Laboratories Inc., USA**

Discounted Free Cash Flow Analysis - IND SWIFT LABORATORIES INC						
WACC :	19.23%	Amount In INR Million				
GROWTH RATE :	2%					
FY	2024	2025	2026	2027	2028	Terminal
<b>Particulars</b>						
Turnover	1,245.00	2,490.00	2,739.00	3,012.90	3,314.19	
PBT (Profits Before Taxes)	24.50	49.00	63.90	80.79	99.89	
Less: Direct Taxes Paid	5.15	10.29	13.42	16.97	20.98	
<b>PAT (Profits After Taxes)</b>	<b>19.36</b>	<b>38.71</b>	<b>50.48</b>	<b>63.82</b>	<b>78.92</b>	
Add: Depreciation	-	-	-	-	-	
Less: Capital Expenditure	-	-	-	-	-	
Add: Interest (Post-tax)	-	-	-	-	-	
Less: Change in Non-Cash Working Capital	13.55	149.24	29.85	32.83	36.12	
<b>Free Cash Flows to Firm</b>	<b>5.81</b>	<b>(110.53)</b>	<b>20.63</b>	<b>30.99</b>	<b>42.80</b>	<b>396.52</b>
Discounting Factor (Mid-Year)	0.92	0.77	0.64	0.54	0.45	0.45
Present value of Cash flow	5.32	(84.90)	13.29	16.75	19.40	179.72
<b>Enterprise Value</b>	<b>149.58</b>					
Add: Cash and cash equivalents	53.44					
<b>Equity Value</b>	<b>203.01</b>					
No of Shares	1,204					
<b>Per Share Equity Value</b>	<b>1,68,614.10</b>					

**2. Essix Biosciences Limited**

ESSIX BIOSCIENCES LTD	
Particulars	All Amount INR Million
Equity Share Capital	145.00
Reserves and Surplus	2,044.77
Net Asset Value	2,189.77
Appreciation/ (Diminution)*	(269.72)
Adjusted Net worth	1,920.05
No. of Equity Shares	1,44,99,555
Value per share (INR)	132.42

\*Appreciation/ (Diminution)

Non- Current Investments			
Particular	Book Value	Fair Value	Appreciation/ (Diminution)
Investment in Quoted Shares (Related Parties)	1,403.83	1,458.23	54.40
Investment in Quoted Shares (Non-Related Parties)	44.08	4.89	(39.19)
Investment in Unquoted Shares	284.04	0.60	(283.44)
Inv in 0% Comp Conv Debentures	52.00	50.51	(1.49)
<b>Total</b>	<b>1,783.94</b>	<b>1,514.23</b>	<b>(269.72)</b>

**3. Indis Healthcare**

Discounted Free Cash Flow Analysis - Indis Healthcare LLP							
WACC :	15.17%	Amount In INR Million					
GROWTH RATE :	5%						
FY	2024	2025	2026	2027	2028	2029	Terminal
Particulars							
Turnover	143.90	201.46	282.05	394.87	473.84	568.61	
PBT (Profits Before Taxes)	(5.96)	(1.20)	8.63	19.93	32.20	42.35	
Less: Direct Taxes Paid	-	-	0.46	6.22	10.05	13.21	
PAT (Profits After Taxes)	(5.96)	(1.20)	8.17	13.71	22.15	29.13	
Add: Depreciation	0.11	0.09	0.08	0.07	0.06	0.05	
Less: Capital Expenditure	0.15	0.13	0.11	0.09	0.08	0.07	
Add: Interest (Post-tax)	-	-	-	-	-	-	
Less: Change in Non-Cash Working Capital	11.16	18.48	25.87	36.22	25.35	30.42	
Free Cash Flows to Firm	(17.17)	(19.72)	(17.73)	(22.53)	(3.22)	(1.31)	211.02
Discounting Factor (Mid-Year)	0.93	0.81	0.70	0.61	0.53	0.46	0.46
Present value of Cash flow	(16.00)	(15.95)	(12.46)	(13.74)	(1.71)	(0.60)	97.03
Enterprise Value	36.57						
Add: Cash on Hand	0.07						
Add: Axis Bank 922020015105922 (ca)	1.41						
Equity Value	38.04						

**4. MJM Remedies Private Ltd**

Financials as on 31.03.2023	
Particular	Amount (INR Million)
Share Capital	0.10
Reserve & Surplus	(0.03)
Net worth	0.07
No. of shares	10,000
Value per Equity Share (INR)	7.38



## SECTION VII–CAVEATS

- This Valuation Report has been issued at the specific request of the Company for determining the Share exchange ratio for the said proposed Scheme of Arrangement in accordance with the Companies Act, 2013 and Rules thereof. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed, or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without your prior written consent.
- No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- In accordance with the customary approach adopted in Valuation exercise, I have summarized the Share exchange ratio of equity shares of the company based on the information as was provided to us by the management of the Company both written, verbal, and other publicly available information. I do not assume any responsibility for the accuracy or reliability of such documents on which I have relied upon in forming the opinion.
- This Report does not investigate the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, I express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.
- I have no present or planned future interest in the Company and the fee for this Valuation analysis is not contingent upon the values reported herein. The Valuation Analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report.
- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- In no circumstances shall the liability of a valuer, its partners, directors, or employees, relating to the services provided in connection with the engagement set out in this Valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.
- The valuation report should not be construed as investment advice; specifically, I do not express any opinion on the suitability of or otherwise of entering into the proposed transaction.