




USHANTI COLOUR CHEM LIMITED

Our Company was incorporated under the provisions of Companies Act, 1956 as 'Ushanti Colour Chem Private Limited' in Gujarat vide Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on May 12, 1993. Consequently, it was converted into a public limited company pursuant to special resolution passed at Extra-ordinary General Meeting of our Company held on February 19, 2018 and the name of our Company was changed to 'Ushanti Colour Chem Limited' and a fresh certificate of incorporation consequent upon Conversion of Private Limited to Public Limited dated March 07, 2018 was issued by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24231GJ1993PLC019444. For further details of Incorporation and Change of Registered Office of our company, please refer to chapter titled "General Information" beginning on page 36 of this Letter of Offer.

Registered Office: 88/8 GIDC, Phase I, Vatva, Ahmedabad- 382445, Gujarat, India **Tel. No.:** 079-25833315;
Fax No.: Not Available **Contact Person:** Ms. Vishakha Tanwar, Company Secretary and Compliance Officer
Email: admin@ushanti.com; **Website:** www.ushanti.com
Corporate Identification Number: L24231GJ1993PLC019444

PROMOTERS OF OUR COMPANY		
MR. MAUNAL SHANTILAL GANDHI AND MR. MINKU SHANTILAL		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF USHANTI COLOUR CHEM LIMITED		
("COMPANY" OR "ISSUER") ONLY		
<p>ISSUE OF UPTO 5,35,085 EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 55 EACH INCLUDING A SHARE PREMIUM OF ₹ 45 (RUPEE FORTY-FIVE ONLY) PER RIGHT EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT OF UPTO ₹ 294.30 LACS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 05 RIGHTS EQUITY SHARES FOR EVERY 100 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON OCTOBER 11, 2024 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES 5.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 95 OF THIS LETTER OF OFFER.</p>		
WILFUL DEFAULTER OR A FRAUDULENT BORROWER		
<p>Neither our Company nor any of our Promoters or Directors has been categorized as a Willful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.</p>		
GENERAL RISKS		
<p>Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and this offer including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer "Risk Factors" beginning on page 20 of this Letter of Offer before investing in the Issue.</p>		
ISSUER'S ABSOLUTE RESPONSIBILITY		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
LISTING		
<p>The existing Equity Shares of our Company are listed on SME platform of National Stock Exchange of India Limited ("NSE Emerge"). Our Company has received "in-principle" approval from NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through its letter dated April 24, 2024. Our Company will also make applications to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is NSE Emerge.</p>		
REGISTRAR TO THE ISSUE		
	<p>Bigshare Services Private Limited Address: Office No. S6-2, VI Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (E), Mumbai-400093 Telephone: +91-022-62638200 Fax: +91-022-62638299 Email: rightsissue@bigshareonline.com Investor Grievance : investor@bigshareonline.com Website: www.bigshareonline.com Contact person: Mr. Suraj Gupta SEBI Registration No: INR000001385</p>	
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
NOVEMBER 04, 2024	NOVEMBER 18, 2024	NOVEMBER 25, 2024
<p><i>*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.</i></p> <p><i># Our Board or a duly authorized thereof will have the right to extend the Issue Period as it may determine from time to time, not exceeding 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i></p>		

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Ushanti Colour Chem Limited as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled “*Industry Overview*”, “*Statement of Tax Benefits*”, “*Financial Information*”, “*Outstanding Litigations, Defaults, and Material Developments*” and “*Terms of the Issue*” on pages 50, 47, 75, 76 and 95 respectively, shall have the meaning given to such terms in such sections.

COMPANY RELATED AND GENERAL TERMS

Term	Description
Ushanti Colour Chem Limited / the Company/ our Company	Ushanti Colour Chem Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, having its registered office at 88/8 GIDC, Phase I, Vatva, Ahmedabad- 382445, Gujarat, India.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Ushanti Colour Chem Limited;
AoA/ Articles of Association	The Articles of Association of Ushanti Colour Chem Limited, as amended from time to time;
Associate	The Company do not have any Associate Company.
Audit Committee	The committee of the Board of Directors constituted as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current Statutory Auditors of our company being M/s DJNV & Co, Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Chairman & Managing Director	The Chairman of the Company is Mr. Shantilal Bhailal Gandh and & Mr. Minku Shantilal Gandhi and Mr. Maunal Shantilal Gandhi are the Joint Managing Directors of our Company
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Pradip Bhadrilal Parikh;
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Ms. Vishakha Tanwar;
Equity Shares	Equity shares of the Company having face value of ₹10.00 (Rupees Ten only);
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled “ <i>Our Management</i> ”

Term	Description
	beginning on page 72 of this Letter of Offer;
ISIN	International Securities Identification Number being INE00NI01015;
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled “ <i>Our Management</i> ” beginning on page 72 of this Letter of Offer;
MoA/ Memorandum of Association	The Memorandum of Association of Ushanti Colour Chem Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013;
Non-Executive Director	A Director, not being an Executive Director of our Company;
Promoters	Mr. Maunal Shantilal Gandhi and Mr. Minku Shantilal Gandhi;
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the Stock Exchanges under the SEBI (LODR) Regulations;
Registered Office	88/8 GIDC, Phase I, Vatva, Ahmedabad- 382445, Gujarat, India
Registrar of Companies/ RoC	Registrar of Companies, Ahmedabad, Gujarat;
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013;
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being National Stock Exchange of India Limited;
Unaudited Financial Results	The limited reviewed unaudited financial results for the six months period ended September 30, 2023, including the notes thereto and the report thereon. For details, see “Financial Statements” on page 75 of this Letter of Offer;

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Date	Date on which the Allotment is made pursuant to the Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this issue;
Application Money	Aggregate amount payable at the time of Application ₹ 55 (Rupees Only) in respect of

Term	Description
	the Rights Equity Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application used by ASBA Investors to make an application authorizing a SCSB to block the Application Money in the ASBA Account;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renounees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being Axis Bank Limited;
Bankers to the Issue Agreement	Agreement dated October 14, 2024 entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and which is described in the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 95 of this Letter of Offer;
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer filed with the National Stock Exchange of India Limited;
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of Ushanti Colour Chem Limited as on the Record Date;
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited;
Issue/ Rights Issue	Issue of upto 5,35,085 equity shares with a face value of ₹10 each (“rights equity shares”) of our company for cash at a price of ₹ 55 each including a share premium of ₹ 45 per rights equity share (“issue price”) for an aggregate amount upto ₹ 300.00 Lacs* on a rights basis to the existing equity shareholders of our company in the ratio of 05

Term	Description
	Right equity shares for every 100 Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on October 11, 2024 (the “issue”). The issue price for the rights equity shares is 5.5 Times the face value of the equity shares. *Assuming full subscription and receipt of all Monies with respect to Rights Equity Shares.
Issue Closing Date	November 25, 2024;
Issue Opening Date	November 04, 2024;
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ 55 (Rupees Fifty-Five Only) per Rights Equity Share including a premium of ₹ 45 (Rupees Forty Five) per Rights Equity Share);
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating upto 294.29 Lacs;
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE after incorporating the observations received from the NSE on the Letter of Offer;
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now;
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 42 of this Letter of Offer;
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before November 18, 2024;
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being October 11, 2024;
Registrar to the Issue	Bigshare Services Private Limited.;
Registrar Agreement	Agreement dated January 31, 2024 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renouncees	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. November 04, 2024. Such period shall close on November 18, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. November 18, 2021;
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000.00/- (Rupees Two Lacs) (including HUFs applying through their Karta);

Term	Description
Rights Entitlement (s)/ Res	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 100 (05 Rights Equity Shares for every 100 Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements. <i>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</i>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self-Certified Syndicate Banks/SCSB(s)	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=3
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays;

INDUSTRY RELATED TERMS

Term	Description
CAGR	Compound Annual Growth Rate
EAP	East Asia and Pacific
EMDEs	Emerging Market and Developing Economies
FDI	Foreign Direct Investment
FY	Financial Year
GCPMH	Global Chemicals and Petrochemicals Manufacturing Hubs
GDP	Gross Domestic Product
GIDC	Gujarat Infrastructure Development Corporation
ISCMA	Indian Specialty Chemical Manufacturer' Association
MMT	Million Metric Tones
PCPIR	Petroleum, Chemicals and Petrochemicals Investment Region
PPP	Purchasing Power Parity
TFP	Total Factor Productivity

ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;

Term	Description
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ending on March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles In India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;

Term	Description
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ non-resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America;
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, SEBI and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY IS

MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“United States”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer, Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer, Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer, Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “Civil Procedure Code”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.
- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GoI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the “US” or “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

FINANCIAL DATA

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Consolidated Audited Financial Statements of our Company as of and for the financial year ended March 31, 2023 and Unaudited Financial Results for the six months period ended September 30, 2023.

We have prepared our Consolidated Audited Financial Statements of our Company as of and for the financial year ended March 31, 2023 and Unaudited Financial Results for the six months period ended September 30, 2023 in accordance with GAAP, Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

For details of the Consolidated Audited Financial Statements for the financial year ended March 31, 2023 and the Unaudited Financial Results for the half year ended September 30, 2023, please refer to the section titled “*Financial Statements*” beginning on page 75 of this Letter of Offer.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

In this Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in “lakhs”. The amounts derived from financial statements included herein are represented in “lakhs”, as presented in the Consolidated Audited Financial Statements and the Unaudited Financial Results. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Letter of Offer has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Letter of Offer is reliable, it has not been independently verified.

The industry data used in this Letter of Offer has not been independently verified by our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

The extent to which market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 20 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology including anticipate, believe, continue, can, could, estimate, expect, future, forecast, intend, may, objective, plan, potential, project, pursue, shall, should, target, will, would or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Letter of Offer that are not historical facts.

These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Company’s ability to successfully implement our strategy, our growth and expansion, technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Audience’s taste and behavior;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our failure to keep pace with rapid changes in entertainment sector;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Intensified competition in industries/sector in which we operate;
- Our ability to attract, retain and manage qualified personnel;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to expand our geographical area of operation.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 20, 61 and 76, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition

of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our directors nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI (ICDR) Regulations, our Company will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permission.

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SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and it is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigations, Defaults and Material Developments” beginning on pages 20, 42, 61 and 85 of this Letter of Offer, respectively.

SUMMARY OF OUR BUSINESS

Company is in the business of manufacturing and trading of various colours of dyestuffs since 1993 till 2013. After getting permission for manufacturing of CPC Blue Crude dyestuff and witnessing the growing demand of our CPC Blue product our Company decided to focus into business of manufacturing on one specific product type and specialise in it. Our Company manufactures reactive and direct dyestuffs also known as Synthetic Organic Dyes with an integrated production process. The company also manufactures Copper Phthalocyanine, Blue Cued which are one of the major raw materials used for manufacturing of Dyestuffs. The pigment and dyestuffs manufactured by us caters to the raw material requirement of textile, garment, cotton, leather, nylon, paper, wool, ink, wood, plastic and paint industries. We concentrate in manufacturing “Turquoise Blue” Dyestuffs and Pigments. The Company has 3 manufacturing facilities situated together at Vatva GIDC in Gujarat. The facilities are spread over 2,739 sq. meters in total area. Our company also has its own Ice generation machinery, further it recovers Ammonium Carbonate from its effluent stream which are reused in the plant as well as sold to the Soda Ash Industry reducing wastage giving us incremental revenue. The Company currently has a production capacity of approx. 2,520 tons per annum. The manufacturing facilities are equipped with requisite machineries to keep a constant check on quality. The company is an ISO 9001:2015 certified company certifying the quality of the product our company manufactures.

For further details, please refer to the section titled “Our Business” beginning on page 61 beginning of this Letter of Offer.

OBJECTS OF THE ISSUE

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

		(₹ in Lacs)
Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	195.55
2.	General Corporate Purposes [#]	73.25
	Total Net Proceeds*	268.80

#Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Issue Proceeds.

**Assuming full subscription and Allotment of the Rights Equity Shares.*

For further details, please refer to the section titled “Objects of the Issue” beginning on page 42 of this Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters and Promoter Group of our Company through their letter dated January 01, 2024, have confirmed that they intend to subscribe in full extent of its Rights Entitlement in this Issue and that they will not renounce their Rights Entitlements.

Any such subscription for Rights Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoters and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

SUMMARY OF OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved (₹ in Lacs)
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities	01	0.94
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
Litigation involving our Directors, Promoters and Promoter Group	Nil	Nil
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to section titled “*Outstanding Litigations, Defaults and Material Developments*” beginning on page 85 of this Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled “*Risk Factors*” beginning on page 20 of this Letter of Offer.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 75 of this Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled “*Financial Statements*” beginning on page 75 of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 61 and 78 respectively, as well as the other financial and statistical information contained in this Letter of Offer. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.

This Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

In this Letter of Offer, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 20 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 76 respectively of this Letter of Offer unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.

Materiality

The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. *We specialise in only 1 product type, i.e., Blue colour Dyes.*

Initially, Our Company was into manufacturing various colours of dyestuffs till year 2013. After getting permission for manufacturing of CPC Blue Crude dyestuff and witnessing the growing demand of our CPC Blue product, our Company decided to focus into business of manufacturing on one specific product type and specialise in it, consequently we started manufacturing Turquoise Blue reactive dyes only with their sub-variants. Although this has led to the growth of our business both in terms of operational and financial performance in recent years, however, our business model is restricted to a particular product type and limits the growth to an extent owing to our inability to meet the demand of customers having requirements of various colour dyes and pigments. Presence substantially in only 1 colour product makes our business comparatively

small and prone to competition risks. However, we market other colour products like Black, Orange and Red also but those are based on specific orders received and we are not into full-time manufacturing of the same. Customers may not prefer us as their business partner if they have requirements of multiple colours as we are not in a position to supply them multi-colour options from under one roof. This may adversely affect our overall business.

2. *Our products use raw materials, prices of which have been very volatile in past.*

Manufacturing of Dyes requires numerous dye intermediates, such as, Vinyl Sulphur, Phosphorus Trichloride, Soda Ash. These intermediates form substantial portion of our total production cost. Our cost of material consumed was approx 58% of our Total Expense for the financial year ended 31st March, 2023. Although our Company produces one of the intermediates, but we procure majority of our raw materials requirements from third party suppliers. These chemicals are produced only by few companies such as Kutch Chemicals, Aksar Chem, Bodal Chemicals and Kiri Industries. We procure our major requirements from them and till now we have been able to procure it at the normal prevailing rates in market. However, there have been situations in past where prices of these intermediates have increased by multiple times causing us to pay abnormal cost for such intermediates adversely affecting our overall profitability thereby causing working capital crunch. As there are only few producers for these intermediates, we face a risk of substantial increase in prices by these producers. Occurrence of any such event in future may affect our business substantially both in terms of operations and financials.

3. *Presently our major focus of revenue is on the sale of Blue Dyestuffs and any decrease in the demand for them will adversely affect our business.*

Our Company has been focusing only on production of blue dyestuffs. Our percentage revenue in F.Y. 2022-23 for Blue Dyestuffs was around 95%. We being a specialised player in Blue Reactive Dyes, our focus has remained intact in this segment. Any decrease in demand or our inability to supply our product on timely basis it may adversely affect our operational and financial performance.

4. *Intense competition from China may affect our business adversely.*

Dye manufacturing business is carried majorly in India and China across the globe. Our company faces tough competition from players situated in China as they have a competitive advantage of manufacturing dyestuffs at lower cost. Since only 2 countries manufacture dyes, there is an intense competition between both the countries which are trying to increase their market share. There have been environmental restrictions on companies in China which has led to shut down of many dye manufacturers favouring other manufacturers, however, there is no assurance that such restrictions would kill the competition to our advantage and we will not face any threat from companies in China.

5. *We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.*

The Environmental Protection Act, 1986, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended and other regulations promulgated by the Ministry of Environment and Forest and various statutory and regulatory authorities and agencies in India regulate our handling of hazardous substances and wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

6. *Our future growth is majorly dependent on the new manufacturing facility which we are setting up. Any delay in commissioning the new facility may hamper the business operations of our company.*

We have been into the business of dyestuffs since 1993, with the experience we possess our company has built a large customer base. At present, our manufacturing facility is operating at more than 90% of its installed capacity providing us limited scope to grow within the facility. To capitalize on this fact, we are setting up a

new manufacturing facility spread over an area of 75,060 sq. meters with an annual production capacity of approx. 16,140 tons including dye intermediates and dyestuffs while the permitted capacity is approx. 32,800 tons p.a. Hence, our Company is largely dependent on the upcoming facility for further growth of our business. Our Company has received approval from Gujarat Pollution Control Board (GPCB) for their consent to establish this facility with the list of intermediates we intend to manufacture. Our Company has also received the No Objection Certificate from GPCB. However, any non-compliance with their rules and regulations, unavailability of the required funds for machineries, or any other internal or external factors within or beyond our control may adversely affect our expansion plan and may hinder the growth of our business. We may not be able to assure about the timely commencement of the proposed facility which may also possess a blockage to the growth plans of the company and cause stress on capital structure of the company.

7. *We have not placed orders for 100% of the Plant & Machineries which will be required to be installed in the new manufacturing facility.*

Our Company has planned to set-up a new manufacturing facility in which company intends to increase its production capacity of manufacturing dyes. Further, the company also plans to manufacture certain intermediates which are required for manufacturing of dyestuffs. For this purpose, the Company has already acquired land at Saykha Industrial Estate – Dahej and our company has finalised the list of the machineries which are to be purchased. However, the plant and machineries which are to be installed are yet to be ordered and none of the machinery has been purchased. Further, we have not entered into any definitive agreement with any of the suppliers for the purchase of the machineries.

8. *We are in business related to chemicals which faces excessive government regulations.*

Dye chemical business involves use of numerous toxic acids and its related chemical components. Usage of such intermediates is hazardous to the environment as a whole. This leads to excessive government focus and regulations to be followed in such business model. With increased compliances and regulations, Company faces challenges on many aspects such as control on use of materials, discharge of effluent treatment which may affect the business directly. Any such noncompliance's may lead to imposition of penalties, fines or imprisonment. Further, operations of the Company may be suspended; manufacturing licenses may be suspended, withdrawn or terminated.

9. *Our Company generates major portion of its revenue from export operations. Any problems in such geographies may affect our business adversely.*

Our company manufactures dyestuffs and exports it to many countries like, Turkey, Egypt, Bangladesh, Pakistan etc. Our company has generated around 30% and 26.68% of its total revenue from export operations for the year ended F.Y. 2021-22 and for the year ended F.Y. 2022-23. The company's performance is largely dependent on the political and economic conditions in these regions. Any adverse situation in these regions may affect our business substantially. We believe the customer base which we have created over the years is strong enough to weather any such conditions, however, we may not guarantee that any problems in these regions will not affect our business.

Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to our industry, quality standards, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

10. *Our export operations are largely dependent on various treaties and government agreements between India and foreign nations.*

Our Company derives substantial portion of its revenue from exporting its products outside India. In this regard, our business with such countries is largely dependent on the signed treaties and agreements signed between such governments. Signed treaties and agreements controls the rules, regulations, prohibitions among other important factors which decides the trade relations between the countries which have entered into treaties and agreements. We have been able to trade with these countries owing to liberal and favourable treaties and business relations among the nations.

However, with increasing competition and escalating trade wars situations, countries may impose certain restrictions, prohibitions or imposition of unfavourable terms, which may lead to inferior operational and financial performance.

11. *Our manufacturing unit and proposed manufacturing facility is situated on plots that are taken on long-term lease from G.I.D.C., and we will have to comply with the terms and conditions/covenants laid down in lease agreements with G.I.D.C., noncompliance of the same may affect our business operations.*

Our Company has its manufacturing unit situated at 88/6-8, GIDC Phase I, Vatva, Ahmedabad – 382445, Gujarat, India within G.I.D.C. limits. The said plot is taken on long-term lease from G.I.D.C. Further, the proposed manufacturing facility at Saykha Industrial Estate of Dahej, Gujarat has also been taken on long term lease from G.I.D.C. We have been complying with all on-going requirements of G.I.D.C. and as on date of this Offer document there are no litigations or disputes on our occupancy of such land with G.I.D.C. However, any defaults in complying with the said terms and conditions/covenants on our part may be subjected to penal provisions and it may also lead to the cancellation of such lease, which will adversely affect our business, financial conditions and results of operations.

12. *We depend on a limited number of customers for a significant portion of our revenues. The loss of a major customer or significant reduction in production and sales of, or demand for our products from, our major customers may adversely affect our business, financial condition, results of operations and prospects.*

We derive our entire operational revenues from sale of dyestuffs in the domestic as well as overseas market. We depend on a limited number of customers for a significant portion of our revenues. Revenue from our top 10 and top 5 customers constituted 50.84% and 33.48% of our revenue for Financial Year 2022-23. We face competition from both domestic and international manufacturers in the international market. However, we believe that we have good and long-term relationship with our customers, any loss of customer base or reduction in volume of orders, out of our existing customers, will impact our overall sales, resulting in a decline in our revenues. While we are constantly striving to increase our customer base and reduce dependence on any one particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

13. *Our dependence on few suppliers puts us at risk of interruptions in the availability of raw materials, which could adversely affect our business, financial condition and results of operations. Further, we have not entered into any long-term agreements with our suppliers for raw materials and accordingly may face disruptions in supply from our current suppliers.*

We procure raw materials / intermediates required for the manufacturing of dyestuffs from various companies in the domestic market. We chose to deal with suppliers on the basis of quality assurance, cost effectiveness and relationships. Though we prefer to deal with a fixed set of suppliers with whom we have cordial relationships, there are no fixed suppliers for our raw material purchases and we have not entered into any fixed supply agreement or MoU or any other arrangement with any of our suppliers. Our top 10 and top 5 suppliers contributed 62.11% and 38.26% of our Total Purchases for the F.Y. 2022-23.

These suppliers have accorded their trust and service based on our long operating history in the industry, our credit worthiness, and our goodwill. However, in the absence of written agreements, our suppliers are not bound to supply goods to us and can withdraw their commitments from us at any time. There can be no assurance that there will not be a significant disruption in the supply of raw materials from current sources, or, in the event of a disruption, that we would be able to locate alternative suppliers of the raw materials of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices.

14. *Our performance is majorly dependent on textile and garment Industry. Any slowdown in these sectors may adversely impact our financial performance.*

Our products, dyestuffs are used in textile industry for dyeing the cloths. Growth of dye industry is directly related to the progress of the textile industry. With increased manufacturing activity in textile and garment sector, there would be drive in demand for the dyestuffs. Any slowdown in the concerned sectors would hamper

the demand scenario which may lead to under-utilization of capacity owing to reduced sales. With lower capacity utilization, there would be an increase in cost burden ultimately affecting the operational and financial performance of the company adversely.

15. *Our statutory auditor has included an audit qualification in its audit reports for the year ended March 31, 2012 to March 31, 2023.*

Our Statutory Auditor in its Audit report for the year ended 31st March, 2012 to 31st March, 2023 has made a qualification, which read as under:

“The company does not include excise duty payable on the unsold stock of finished goods in Valuation of finished goods as required under Accounting Standard – 2 “Valuation of Inventories” in respect of valuation of inventories, which constitutes departure from the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

However, such non-inclusion of excise duty will not affect the profit of the year”. Other than as mentioned above, our Company did not had any qualifications from the auditors, however, this may not guarantee that such qualifications may not occur in future if there is any violation of relevant accounting standards.

16. *Our Company has changed an accounting policy in last 3 years.*

Our Company during the applicability of Companies Act, 1956 was following an accounting policy for depreciation on Plant & Machineries considering the useful life as 40 years. With the applicability of Companies Act, 2013 and rules thereon, our Company changed the accounting policy for depreciation on Plant & Machineries from 40 years to 15 years and therefore the rates of depreciation have been changed accordingly. However, this change is in compliance with the relevant provisions and accounting standards as applicable, we may not be able to assure of any further changes in accounting policy which may impact the profitability and presentation of financial statements.

17. *We do not have any offshore office or business place to look after our export operations.*

We sell our products to both domestic as well as international markets. A major portion of our revenue from operations is derived from international markets. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international tiles sector in a timely manner. The business operations of our Company are mainly handled from our registered office located at Gujarat. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Owing to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability.

18. *We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.*

Our foreign exchange transactions are not hedged. Our Company has derived approx. 30% of revenue from export operations in FY 2022-23. We export our products and receive sale proceeds in foreign currency denominated in USD. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. As our exposures are not hedged, we are exposed to foreign currency fluctuation risk and may affect our Company’s results of operations. However, our Company has gained on account of foreign exchange fluctuation to the extent of Rs. 11.81 Lakhs for the year ended 31st March, 2018.

19. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operational and financial conditions.*

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, customer base, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and

growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

20. *Our manufacturing facilities are located at Gujarat. Any delay in production at, or shutdown of, or any for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.*

Our Company has its manufacturing facilities are located at Vatva in Gujarat. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

21. *We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain. We have a logo which is used for our business purpose. Further the said logo is not applied for registration with the registrar of trademarks.*

Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. Currently, we do not have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the corporate name and logo of our company. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

The material approvals, licences or permits required for our business include trade licence, excise and approvals related to tax laws and environment laws among others. See "Government and other Statutory Approvals" on page 88 of this letter of Offer for further details on the required material approvals for the operation of our business.

22. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

We believe that the industry in which we operate face competitive pressures in recruiting and retaining skilled and unskilled labour. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment.

We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's

attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

23. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of “USHANTI COLOUR CHEM LIMITED” from “USHANTI COLOUR CHEM PRIVATE LIMITED” pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.*

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business Approval like TAN allotment letter is currently not traceable and the Company has not applied for Udyog Aadhaar Memorandum. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Additionally, our company is in the course of expansion of its business. It shall be establishing Unit II as a part of expansion. There are a complete series of mandatory approval and other certifications to be applied by the Company as mentioned in “Mandatory Approvals related to Proposed Unit II yet to be applied by the Company” in the Government and Other Statutory Approvals Chapter. In case of any failure to obtain the same, it may adversely affect our business operations. For more information, see chapter “Government and Other Statutory Approvals” on page 88 of this Letter of Offer.

24. *Our export operations are majorly done via Pipavav Port and Mundra Port in Gujarat. Thus, the growth of our business is directly linked to facilities provided at these major ports and Infrastructural development on these ports.*

Our export operations outside India are primarily done from the Pipavav and Mundra ports in Gujarat. The Mundra Port is one of the largest ports in India and any interruption in port or any sanctions by the GoI on the facilities at these ports could adversely affect our business operations and financial position and thereby affecting the overall profitability of the business.

25. *The shortage or non-availability of power and water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.*

Our manufacturing processes requires substantial amount of power and water facilities. The quantum and nature of requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of supply since it involves significant capital expenditure and per unit cost produced is very high. We are mainly dependent on State Government for meeting our electricity and water requirements. Any defaults or noncompliance of the conditions may render us liable for termination of the agreement or any future changes in the terms of the agreement may lead to increased costs, thereby affecting the profitability. Further, since we are majorly dependent on third party power supply; there may be factors beyond our control affecting the supply of power.

26. *We are dependent on third party transportation providers for transportation of raw materials and finished goods. Accordingly, any increase in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business.*

Our company is engaged in manufacturing of dyestuffs and have our manufacturing facility at Vatva, Gujarat. We procure raw materials from manufacturers in Gujarat. Also, our finished goods are sold and delivered to various locations across the country and exported to various other countries. Most of this raw material and finished products are transported to and from our manufacturing unit by third party transportation providers. Transportation strikes could have an adverse effect on our receipt of goods, raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges and trucks could also adversely affect our receipt of goods, raw materials and the delivery of our products.

Further, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of goods, raw materials and the delivery of our products to customers by third-party transportation providers.

Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

27. Our Company's failure to maintain the quality and concentration of the dyestuffs or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.

Our products depend on recent trends and developments as we manufacture and market the products as per the market trends. Any failure to maintain the quality standards patterns may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Also, rapid change in our customers' expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. While, we believe that we have always introduced quality products based on consumers need to cater to the growing demand of our customers and also endeavour to regularly update our existing technology, our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

28. We have not entered into any definitive agreements with our customers. If our customers choose not to buy their products from us, our business, financial condition and results of operations may be adversely affected and our business are on purchase order basis with our customers.

We have not entered into any definitive agreements with our customers, and instead we majorly rely on Purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers vendor preferences. Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. We do not have long-term contracts with our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our longstanding customers. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

29. We have not entered into any definitive agreements with our customers. If our customers choose not to buy their products from us, our business, financial condition and results of operations may be adversely affected and our business are on purchase order basis with our customers.

We have not entered into any definitive agreements with our customers, and instead we majorly rely on Purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers vendor preferences. Any failure to meet our customers' expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. We do not have long-term contracts with our customers and there can be no assurance that we will continue to receive repeat orders from any of them, including our longstanding customers. Further, even if we were to continue receiving orders from our clients, there can be no assurance that they will be on the same terms, and the new terms may be less favourable to us than those under the present terms.

30. *We have in the past entered into related party transactions and may continue to do so in the future.*

Our Company has entered into various transactions with our Promoter, Directors and their Relatives. While all such transactions are conducted on arm's length basis and compliance with all applicable provisions of Companies Act, 2013 and other laws, but there can be no assurance that we could not have achieved more favourable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation.

31. *We are subject to risks associated with expansion into new geographic regions.*

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For instance, we intend to set up new stores in certain parts of northern India. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including, laws and regulations, uncertainties and customer's preferences, political and economic stability. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

32. *Under-utilization of manufacturing capacity at our unit may affect our business which in turn may affect our results of operations.*

Presently, our manufacturing facility operates at an efficiency level in excess of 90% of its installed capacity. Further, we are in the process of establishing a new manufacturing facility at Dahej. In the event that we are unable to fully utilize the increased capacity, our cost of production owing to fixed costs may increase substantially which may adversely affect our result of operations.

36. *Our Company has lapsed/delayed in making the required filings under Companies Act, 2013. Our Company also has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.*

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956. Some of which has not been done within the stipulated time period at some instances. For instance, our Company has lapsed in filing of Form 20B by mentioning wrong number of shares of Mr. Shantilal Gandhi and Mr. Maunal Gandhi in the form for financial year 2003-04, 2004-05 and 2005-06. Although, we have not received any show-cause notice in respect of the above, such delay/noncompliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. While this could be attributed to technical lapses and human errors, our Company has now appointed a Company Secretary and is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

33. *Our insurance coverage may not be adequate.*

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Marine, Standard Fire and Special Perils Policy policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer chapter titled "Our Business" beginning on page 61 of this Letter of Offer.

34. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees, expand our distribution network and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

35. *Our operations may be adversely affected in case of industrial accidents at any of our production facilities.*

Usage of heavy machinery, handling of materials by labour during production process or otherwise, lifting of materials by humans, heating processes of the furnace etc. may result in accidents, which could cause injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Though our plants and machinery are covered under insurance, occurrence of accidents could hamper our production and consequently affect our profitability.

36. *Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.*

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

- Environment (Protection) Act, 1986
- Air (Prevention and Control of Pollution) Act, 1981
- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous Waste Management & Handling Rules, 2008
- The Indian Boilers Act, 1923
- Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Gujarat

which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

37. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 155.06 Lakhs as on March 31, 2023. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the “*Financial Statement*” please refer to page 75 of this Letter of Offer.

38. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure. Further, we are required to maintain certain financial ratios.*

There can be no assurance that we will be able to comply with these financial or other loan covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our

financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “Financial Statement” on page 75 of the Letter of Offer.

Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

39. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 42 of this Letter of Offer.

40. *Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.*

As on March 31, 2023, our Company has unsecured loans amounting to Rs. 238.42 lakhs from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled “*Financial Statements*” beginning on page 75 of this Letter of Offer.

41. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

42. *Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

43. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the*

industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel (“KMP”). They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for KMP in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

44. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Our Directors and Key Managerial Personnel (“KMP”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and KMP may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “*Capital Structure*” and “*Our Management*” on pages 40 and 72, respectively, of this Letter of Offer.

45. Our Promoter and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.

After completion of the Issue, our Promoters and Promoter Group will collectively own 67.86% of the Equity Shares. As a result, our Promoter together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

46. We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

47. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

EXTERNAL RISK FACTORS

48. *The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.*

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the real estate industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

Further if in case due to any third or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our Projects and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

49. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the amendment of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2021 (“Finance Act”) on March 28, 2021, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (“Bill”) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

50. *Foreign investors are subject to foreign investment restrictions under Indian law.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will

be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

51. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

52. The ability of Indian companies to raise foreign capital may be constrained by Indian law.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

53. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

54. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of our business. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

55. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs of doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

56. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely

affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

57. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares

SECTION III: INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on Friday, December 22, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement and Issue Price, have been approved by the Board of Directors in their meeting held on October 03, 2024. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “Terms of the Issue” beginning on page 95.

Equity Shares outstanding prior to the Issue	1,07,01,700 Equity Shares
Rights Equity Shares offered in the Issue	Upto 5,35,085 Rights Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	1,12,36,785 Equity Shares
Rights Entitlement	05 Equity Shares for every 100 Equity Shares held on the Record Date
Record Date	October 11, 2024
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each
Issue Price per Equity Share	₹ 55/- (Rupees Fifty Five Only) including a premium of ₹ 45/- (Rupees Forty Five Only) per Rights Equity Share
Issue Size	Upto 3,00,00,000
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” beginning on page 95 of this Letter of Offer
Use of Issue Proceeds	Please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 42 of this Letter of Offer
Security Code/ Scrip Details[#]	ISIN: INE00NI01015 NSE Scrip Code: UCL ISIN for Rights Entitlements: INE00NI20015

#Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.

For details in relation fractional entitlements, see “Terms of the Issue - Fractional Entitlements” on page 95.

Terms of payment

The full amount of the Issue Price being ₹ 55 (including the Premium of 45) will be payable on application.

Due Date	Amount payable per Rights Equity Share (including premium)
On the Issue application (i.e. along with the Application Form)	₹ 55/-

GENERAL INFORMATION

Our Company was incorporated under the provisions of Companies Act, 1956 as 'Ushanti Colour Chem Private Limited' in Gujarat vide Certificate of Incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on May 12, 1993. Consequently, it was converted into a public limited company pursuant to special resolution passed at Extra-ordinary General Meeting of our Company held on February 19, 2018 and the name of our Company was changed to 'Ushanti Colour Chem Limited' and a fresh certificate of incorporation consequent upon Conversion of Private Limited to Public Limited dated March 07, 2018 was issued by Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24231GJ1993PLC019444.

REGISTERED OFFICE OF OUR COMPANY

USHANTI COLOUR CHEM LIMITED

88/8 GIDC, Phase I, Vatva,
Ahmedabad- 382445, Gujarat, India

Tel: 079-25833315

Email: admin@ushanti.com

Website: www.ushanti.com

CIN: L24231GJ1993PLC019444

Registration Number: 019444

Details of Changes in the Registered Office:

Our company did not change its registered office from listing.

ADDRESS OF THE REGISTRAR OF COMPANIES

REGISTRAR OF COMPANIES, GUJARAT

ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad-380013, Gujarat, India.

Tel: 079-27437597

Fax: 079-27438371

Email: roc.ahmedabad@mca.gov.in

Website: www.mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Vishakha Tanwar

88/8 GIDC, Phase I, Vatva,
Ahmedabad- 382445, Gujarat, India

Tel: 079-25833315

Email: csucl@ushanti.com

Website: www.ushanti.com

STATUTORY AUDITORS OF OUR COMPANY

M/s. DJNV & Co

Chartered Accountants

Address: 2nd Floor, H. N. House, Opp. Muktajivan Colour Lab, Stadium
Circle, Navrangpura, Ahmedabad-380009, Gujarat, India

Email ID: info@djnv.in

Tel No: 079-48934455, 079-40070603

Contact Person: CA Shruti C Shah

Membership No.: 112249

Firm Registration No.: 115145W

Peer Review No.: 015224

REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PRIVATE LIMITED

Address: Office No. S6-2, VI Floor, Pinnacle Business Park,

Mahakali Caves Road, Andheri (E), Mumbai-400093

Telephone: +91-022-62638200 | Fax: +91-022-62638299

Email: rightsissue@bigshareonline.com

Investor Grievance: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact person: Mr. Suraj Gupta

SEBI Registration No: INR000001385

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process)). For details on the ASBA process, see section titled “*Terms of the Issue*” beginning on page 95 of this Letter of Offer.

BANKERS TO THE ISSUE / REFUND BANK**Axis Bank Limited**

Address: Axis House”, 6th Floor, C-2,

Wadia International Centre,.

Pandurang Budhkar Marg, Worli,

Mumbai - 400 025, Maharashtra, India.

Telephone number: (Direct) 022 24253672

E-mail: vishal.lade@axisbank.com

Website: www.axisbank.com

Contact Person: Vishal M. Lade

SEBI Registration Number: INBI00000017

Corporate Identity Number (CIN): L65110GJ1993PLC020769

BANKERS TO THE COMPANY**Kotak Mahindra Bank Limited**

Address: - 7th Floor, A-Wing, Venus Amadeus,

Jodhpur Cross Road, Satellite, Ahmedabad,

Gujarat 380015, India

Tel: 1860 266 2666

Fax: NA

Email: pranay.dangi@kotak.com

Website: www.kotak.com

Contact Person: Mr. Pranay Dangi

CIN: L65110MH1985PLC038137

INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN MERCHANT BANKERS

The Company has not appointed any Merchant Banker as the Issue size is less than ₹5,000 Lakh and hence there is no inter-se allocation of responsibilities.

EXPERT

Except for the reports of the Auditor of our Company on the audited Financial Statements and Statement of Tax Benefits, included in this Letter of Offer, our Company has not obtained any expert opinions.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	October 31, 2024
Issue Opening Date	November 04, 2024
Last Date for On Market Renunciation of Rights Entitlements#	November 18, 2024
Issue Closing Date*	November 25, 2024
Finalization of Basis of Allotment (on or about)	November 29, 2024
Date of Allotment (on or about)	December 02, 2024
Date of credit (on or about)	December 05, 2024
Date of listing (on or about)	December 11, 2024

Note:

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date;

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., November 21, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., November 22, 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled “Terms of the Issue” beginning on page 95 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at www.bigshareonline.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see “Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” under the section titled “Terms of the Issue” beginning on page 95 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

CREDIT RATING

As this proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹ 100 crore, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores.

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below ₹5,000 Lakh, therefore this Letter of Offer has been filed with the NSE. On receipt of the in-principle approval from NSE, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

The Promoters and Promoter Group of our Company through their letter dated January 01, 2024, have confirmed that they intend to subscribe in full extent of its Rights Entitlement in this Issue and that they will not renounce their Rights Entitlements.

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 95 of this Letter of Offer.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

(In ₹ lakhs, except share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
1,50,00,000 (One Crore Fifty Lacs Only) Equity Shares of Rs.10 each.	1,500.00	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
1,07,01,700 (One Crore Seven Lacs One Thousand Only) Equity Shares of Rs.10 each.	1070.17	-
Present Issue in terms of this Letter of Offer ^{(1) (2) (3)}		
Upto 5,35,085 (Five Lakh Thirty Five Thousand Eighty Five) Issue of Equity Shares, each at a premium of ₹ 45/- (Rupees Forty Five Only) per Equity Share, at an Issue Price of ₹ 55/- (Rupees Fifty Five) per Equity Share	53,50,850	2,94,29,675
Issued, subscribed and paid-up Equity Share capital after the Issue		
1,12,36,785 (One Crore Twelve Lakh Thirty Six Thousand Sevan Hundred Eighty Five) Equity Shares of Rs.10 each.	11,23,67,850	
Subscribed and paid-up Equity Share capital		
1,12,36,785 (One Crore Twelve Lakh Thirty Six Thousand Sevan Hundred Eighty Five) Equity Shares of Rs.10 each.	11,23,67,850	
Securities premium account		
Before the Issue (as on September 30, 2023)	2385.77	
After the Issue ^(c)	2626.56	

Notes: -

1. This Issue has been authorized by a resolution of our Board passed at its meeting held on December 22, 2023 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.
2. The terms and conditions of the Issue including the Rights Entitlement and Issue Price and Record Date, have been approved by the Board of Directors in their meeting held on October 03, 2024.
3. Record Date as per approved by Board of Director was October 11, 2024.
4. Assuming full subscription for and Allotment of the Rights Equity Shares.
5. Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

NOTES TO THE CAPITAL STRUCTURE

1. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares

As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

2. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=UCL&tabIndex=sme>

3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Letter of Offer

Our promoters and promoter group does not acquire Equity Shares in the last one year prior to the filing of this Letter of Offer.

4. Intention and participation by the promoter and promoter group

Out of our Promoter and Promoter Group, their letter dated 01st January, 2024, have given their confirmation regarding their intention to subscribe to this Rights Issue jointly and / or severally. However, the other promoters and members of the promoter group have not given their assent/dissent regarding their intention to subscribe in this issue. In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ 59.27/-.
6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up. For details on the terms of this Issue, see “Terms of the Issue” on page 95.
7. At any given time, there shall be only one denomination of the Equity Shares.

8. Shareholding Pattern of our company

The details of the shareholding pattern of our Company as on October 05, 2023 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=UCL&tabIndex=sme>.

The details of shareholders of our Company holding 1% or more of the paid-up capital as on October 05, 2023 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=UCL&tabIndex=sme>.

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. To augment the existing and incremental working capital requirement of our company; and
2. General Corporate Purposes

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE PROCEEDS

The details of Issue Proceeds are set forth in the following table:

Particulars	Amount
Gross Proceeds from the Issue [#]	Upto 294.30
Less: Estimated Issue related Expenses	25.50
Net Proceeds from the Issue*	268.80

[#] Assuming full subscription and Allotment;

*The Issue size will not exceed ₹ 300.00 Lakh. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	195.55
2.	General Corporate Purposes [#]	73.25
	Total Net Proceeds*	268.80

[#]The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the BSE.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds is set forth in the table below:

Sr. No.	Particulars	Amount to be deployed from Net Proceeds [^]	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2024	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2025 [^]
1.	To augment the existing and incremental working capital requirement of our company	195.55	-	195.55
2.	General Corporate Purposes [#]	73.25	-	73.25
	Total Net Proceeds*	268.80	-	268.80

[#]The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. *Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board as per compliance with all applicable laws, rules and regulations and will not be subject to monitoring by any independent agency.* In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled “*Risk Factors*” beginning on page 20 of this Letter of Offer.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

MEANS OF FINANCE

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of numerous factors beyond our control, such as market conditions, competitive environment, costs of commodities or interest rate fluctuations. We intend to finance the abovementioned objects from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals in terms of the provisions of Regulation 62(1)(c) of the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

1. To augment the existing and incremental working capital requirement of our company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of Working Capital Requirement (on a standalone basis), is as under:

	<i>(₹ in Lakhs)</i>			
Particulars	March 31, 2023 (Audited)	September 30, 2023 (Unaudited)	March 31, 2024 (Projected)	March 31, 2025 (Projected)
Current Assets				
Inventories	649.28	618.05	645.00	693.50
Trade Receivables	904.98	948.69	1180.00	1225.30
Cash and Cash Equivalents	22.19	8.53	5.50	10.50
Short-term loans and advances	646.15	552.20	646.00	510.00

Particulars	March 31, 2023 (Audited)	September 30, 2023 (Unaudited)	March 31, 2024 (Projected)	March 31, 2025 (Projected)
Other Current Assets	0	95.60	105.00	145.00
Total Current Assets (1)	2222.60	2223.07	2581.50	2584.30
Current Liabilities				
Short Term Borrowings	393.48	700.56	306.07	410.00
Trade Payables	543.95	661.10	775.00	605.00
Other Current Liabilities	216.46	35.70	47.50	62.25
Short Term Provision	31.57	31.92	50.45	60.10
Total Current Liabilities (2)	1185.46	1429.28	1179.02	1137.35
Working Capital (1-2)	1037.14	793.79	1402.48	1446.95
Source of Working Capital	-	-	-	-
Internal Accruals	1037.14	793.79	1402.48	1251.40
Issue Proceeds	-	-	-	195.55

Details of Basis of Estimation for holding period levels are as following:

Particulars	March 31, 2023	September 30, 2023	March 31, 2024	March 31, 2025
Inventories holding period	45 Days	45 Days	45 Days	45 Days
No. of Days for Trade Payables	45 Days	45 Days	30 Days	30 Days
No. of Days for Trade Receivables	100 Days	100 Days	75 Days	75 Days

The working capital projections made by our Company are based on certain key assumptions, as set out below:

Current Assets	
Inventories	In Fiscal Year 2023 & September 30, 2023, the inventory holding period was 45 days. The holding period has increased from one year to the next, which suggests that the company is planning to maintain higher stock levels upto 649.28 lakhs and 618.05 lakhs in order to fulfil demand obligations towards its customers.
Trade receivables	In Fiscal 2023 & September 2023 Efficient collections and robust credit policies maintained a favourable holding of 45 days. In September 23 as per the past experiences, the management is planning to maintain its refined collections procedures, adjusted credit checks, aligned with industry trends These measures respond to market dynamics, aiming for a balanced approach between ensuring healthy cash flows and maintaining positive customer relations so reduce the trade receivable period from 100 days to 75 days in Fiscal 2024 & Fiscal 2025.
Cash and Bank Balance	The management is expecting a healthy cash flow due to increase in volume of transactions. The company has already achieved the turnover of Rs.8.53 lakhs which is almost equivalent to first half. i.e. September 2023.
Short Term Loans and advances	In order to meet timely supply raw material and maintain favourable relations with the suppliers, the management is expecting a slight increase in vendor advances.
Current Liabilities	
Trade Payables	In Fiscal Year 2023 and September 30, 2023, the trade payable ratio was 100 days. The projected trade payable ratio for Fiscal Year 24 is 75 days, indicating that the company is expecting a good credit term from its suppliers on bulk purchases of raw material. An effort to optimize payable cycles while maintaining strong supplier relationships and effective cash management. The steps taken likely involved a combination of negotiating extended payment terms with suppliers, refining internal inventory management practices, and strategically.
Other Current Liabilities & Short-Term Provision	The management is expecting a healthy cash flow due to increase in volume of transactions on the contrary, there might be a increase in employee cost, operational expenses which may show increasing trend in future.

The Issuer Company proposes to utilize Rs. 195.55 Lakhs of the Net Proceeds in March 31, 2025, respectively towards its working capital requirements for meeting their future business requirements.

2. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited to funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. The Board to utilise the issue proceeds with compliances of all the applicable laws, rules and regulations.

EXPENSES FOR THE ISSUE

The Issue related expenses consist of fees payable to the Legal Advisor to the issue, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ 25.50/- towards these expenses, a break-up of the same is as follows:

(₹ in Lakhs)

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fee to professional service providers and statutory fee and Registrar to the Issue	10.00	39.22%	3.40%
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	5.00	19.61%	1.70%
Statutory Advertising, Marketing, Printing and Distribution	5.00	19.61%	1.70%
Other expenses (including miscellaneous expenses and stamp duty)	5.50	21.57%	1.87%
Total estimated Issue expenses*	25.50	100.00	8.66%

* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

OTHER CONFIRMATIONS

Except as disclosed above, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

To
The Board of Directors
Ushanti Colour Chem Limited
Reg. Off: 88/8 GIDC Phase I Vatva,
Ahmedabad - 382445,
Gujarat, India

Dear Sir(s),

Sub: Statement of possible special tax benefits available to Ushanti Colour Chem Limited (“the Company”) and its Shareholders under Direct and Indirect tax laws.

We refer to the proposed issue of Equity Shares of **Ushanti Colour Chem Limited** (“the Company”). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2020-2026, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Letter Of Offer (“LOO”) for the proposed Right Issue of Equity Shares (Partly paid up), as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Right Issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future.
- The conditions prescribed for availing the benefits have been/would be met.
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed Right Issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and National Stock Exchange of India Limited provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

Your sincerely,

FOR M/s. DJNV & Co
[Firm Registration No. 115145W]
Chartered Accountants

SD/-

CA NIRAV R CHOKSI
Partner
Mem. No. 112249
UDIN: 24112249BKCZHE1733

Place: Ahmedabad

Date: 25/01/2024

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2023 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

A. SPECIAL TAX BENEFITS TO THE COMPANY

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has opted for section 115BAA for the earlier assessment years and will continue opting for section 115BAA for the assessment year 2024-25 as well.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020("FTP") (collectively referred as "Indirect Tax").

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

FOR M/s. DJNV & Co
[Firm Registration No. 115145W]
Chartered Accountants

SD/-

CA NIRAV R CHOKSI
Partner
Mem. No. 112249
UDIN: 24112249BKCZHE1733

Place: Ahmedabad
Date: 25/01/2024

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information, our company does not take report form any agency about industry overview hence no such report are available in material Documents.

GLOBAL OUTLOOK

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. Global growth is projected to slow significantly in the second half of this year, with weakness continuing in 2024. Inflation pressures persist, and tight monetary policy is expected to weigh substantially on activity. Recent banking sector stress in advanced economies will also likely dampen activity through more restrictive credit conditions. The possibility of more widespread bank turmoil and tighter monetary policy could result in even weaker global growth. Rising borrowing costs in advanced economies could lead to financial dislocations in the more vulnerable emerging market and developing economies (EMDEs). In low-income countries, in particular, fiscal positions are increasingly precarious. Comprehensive policy action is needed at the global and national levels to foster macroeconomic and financial stability. Among many EMDEs, and especially in low-income countries, bolstering fiscal sustainability will require generating higher revenues, making spending more efficient, and improving debt management practices. Continued international cooperation is also necessary to tackle climate change, support populations affected by crises and hunger, and provide debt relief where needed. In the longer term, reversing a projected decline in EMDE potential growth will require reforms to bolster physical and human capital and labor-supply growth.

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger-than-expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large

currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year

TABLE 1.1 Real GDP^a
(Percent change from previous year unless indicated otherwise)

	Percent change from previous year unless indicated otherwise						Percentage point differences from January 2023 projections	
	2021	2022	2023e	2024f	2025f	2026f	2023	2024
World	-3.1	8.9	-3.1	2.1	2.4	3.0	0.4	-0.7
Advanced economies	-4.3	5.4	2.8	0.7	1.2	2.2	0.2	-0.4
United States	-4.0	5.9	2.1	1.1	0.8	2.3	0.0	-0.8
Euro area	-6.1	5.4	3.5	0.4	1.3	2.3	0.4	-0.3
Japan	-4.1	2.3	1.0	0.8	0.7	0.8	-0.2	0.0
Emerging market and developing economies	-1.0	6.9	0.7	4.0	3.9	4.0	0.6	-0.2
East Asia and Pacific	1.9	7.1	3.5	6.3	4.6	4.0	1.9	-0.3
China	2.8	0.4	0.0	5.0	4.0	4.4	1.3	-0.4
Indonesia	-0.1	3.7	3.9	4.9	4.9	4.0	0.1	0.6
Thailand	-0.1	1.5	2.0	3.0	3.6	2.4	0.3	-0.1
Europe and Central Asia	-1.7	7.1	-1.2	-1.4	2.7	2.7	1.0	-0.1
Russian Federation	-6.7	8.8	-2.1	-6.3	1.9	0.0	3.1	-0.1
Turkey	1.9	11.4	0.0	3.2	4.0	4.1	0.0	0.3
Poland	-2.0	8.9	5.1	0.7	2.8	3.2	0.0	0.4
Latin America and the Caribbean	-6.2	6.9	-3.7	1.5	2.0	2.6	0.2	-0.4
Brazil	-6.9	6.0	-2.4	1.2	1.4	2.4	0.4	-0.8
Mexico	-8.0	4.7	3.0	2.5	1.9	2.0	1.8	-0.4
Argentina	-6.0	10.4	6.2	-2.0	2.0	2.0	-4.0	0.3
Middle East and North Africa	-0.8	2.4	6.8	3.3	3.3	3.0	-1.3	0.6
Saudi Arabia	-4.3	3.9	0.7	2.2	3.3	2.5	-1.5	1.0
Iran, Islamic Rep. ^b	1.9	4.7	2.9	2.2	2.0	1.9	0.0	0.1
Egypt, Arab Rep. ^c	3.6	3.3	0.0	4.0	4.0	3.7	-0.5	-0.8
South Asia	-4.1	8.3	0.0	5.9	6.1	6.4	0.4	-0.7
India ^d	-5.8	10.1	7.0	6.3	6.4	6.5	-0.3	0.3
Pakistan ^e	-0.9	5.6	0.1	0.4	2.0	3.0	-1.8	-1.2
Bangladesh ^f	3.4	8.9	7.1	6.2	6.2	6.4	0.0	0.0
Sub-Saharan Africa	-6.0	4.4	3.7	3.2	3.9	4.0	-0.4	0.0
Nigeria	-1.9	2.6	2.3	2.8	3.0	3.1	-0.1	0.1
South Africa	-8.3	4.9	-2.0	0.3	1.5	1.6	-1.1	-0.3
Angola	-5.0	1.1	0.5	2.0	3.0	3.1	-0.2	0.4
Memorandum items								
Real GDP^a								
High-income countries	-4.0	5.4	2.8	0.5	1.0	2.0	0.3	-0.3
Middle-income countries	-1.2	7.1	3.4	4.2	4.0	3.1	0.8	-0.3
Low-income countries	1.4	4.2	4.0	5.1	5.0	5.5	0.1	0.2
EMDEs excluding China	-3.8	5.9	4.1	2.9	3.4	3.8	0.2	-0.2
Commodity-exporting EMDEs	-5.7	5.1	3.2	1.9	2.8	2.9	0.0	0.0
Commodity-importing EMDEs	-0.9	7.9	2.9	5.0	4.6	4.6	0.3	-0.4
Commodity-importing EMDEs excluding China	-4.0	7.0	5.3	4.2	4.7	3.8	0.3	-0.3
EM7	-0.4	7.7	2.9	4.7	4.1	4.9	1.2	-0.1
World (PPP weights) ^g	-2.8	6.3	3.3	2.7	2.9	3.4	0.5	-0.3
World trade volume ^h	-7.8	-11.0	6.0	1.7	2.8	3.0	0.1	-0.8
Commodity pricesⁱ							Level differences from January 2023 projections	
WBG commodity price index	83.1	101.0	143.3	170.1	199.2	110.5	-14.9	-7.5
Energy index	22.7	95.4	122.5	105.2	139.1	111.0	-21.0	-2.2
Oil (Brent per barrel)	62.5	79.4	89.8	80.0	82.3	64.4	-4.0	0.6
Non-energy index	84.1	112.5	124.4	112.5	124.5	108.5	-1.2	-3.5

Source: World Bank.

Note: e = estimate (actual data for commodity prices); f = forecast. WBG = World Bank Group. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date. For the definition of EMDEs, developing countries, commodity exporters, and commodity importers, please refer to table 1.2. EM7 includes Brazil, China, India, Indonesia, Mexico, the Russian Federation, and Türkiye. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela owing to lack of reliable data of adequate quality. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

1. Headline aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates.
2. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. For India and the Islamic Republic of Iran, the column labeled 2022 refers to FY2022/23. For Bangladesh, the Arab Republic of Egypt, and Pakistan, the column labeled 2022 refers to FY2021/22. Pakistan's growth rates are based on GDP at factor cost.
3. World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.
4. World trade volume of goods and nonfactor services.
5. Indexes are expressed in nominal U.S. dollars (2010 = 100). Oil refers to the Brent crude oil benchmark. For weights and composition of indexes, see <https://worldbank.org/commodities>.

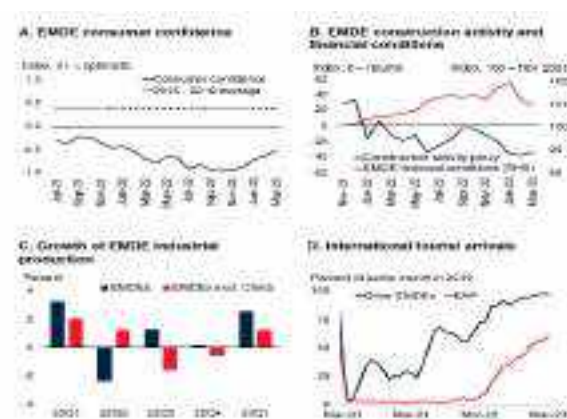
(Source: *Global Economic Prospects, June 2023*)

Emerging market and developing economies

EMDE growth is expected to pick up in 2023 almost entirely due to China's economic reopening. Excluding China, growth in EMDEs is set to slow markedly. A protracted period of tight domestic monetary policy, fiscal consolidation, and weak external demand will curb growth in many EMDEs. Although advanced-economy banking stress has so far not translated to EMDE financial sectors, the effects of more restrictive global financial conditions will remain a headwind to growth, particularly for EMDEs with weaker credit ratings. In LICs, domestic vulnerabilities, increased fragility, and persistently high poverty rates, will continue to weigh on economic recoveries.

Recent developments in emerging market and developing economies

Indicators of domestic demand in emerging market and developing economies (EMDEs), such as consumer confidence, have started to recover but remain weak. Tighter financial conditions have weighed on activity in sectors more sensitive to interest rates, such as construction and industrial production, both of which have been subdued. Tourism has recovered substantially since 2022.



Sources: Bloomberg; Goldman Sachs; Haver Analytics; World Bank.

Note: EAP = East Asia and Pacific; EMDEs = emerging market and developing economies.

A. Figure shows the simple average of consumer confidence indices standardized against their historical values for 12 EMDEs (Albania, Argentina, Brazil, China, Colombia, Hungary, India, Indonesia, Mexico, Pakistan, Thailand, and Türkiye). Standard deviations for constituent scores are based on the period from 2015 to the last observation, which is March 2023.

B. Increases in the financial conditions index imply more restrictive conditions. Increases in the EMDE construction activity proxy indicate greater confidence and increasing year-on-year activity in EMDE construction sectors. The construction activity proxy is a simple average of z-scores, multiplied by 100, for variables capturing confidence and activity in construction sectors for 9 EMDEs (Argentina, Brazil, Mexico, Chile, China, Hungary, Romania, South Africa, and Thailand). EMDE financial conditions is a GDP-weighted average of the Goldman Sachs financial conditions indices for 12 EMDEs, lagged by 3 months (that is, the July 2022 value signifies conditions in April 2022).

C. Figure shows the quarterly growth of industrial production in 31 EMDEs.

D. Figure shows total arrivals for country groups, expressed as a percentage of the same month in 2019. Sample includes 26 EMDEs, of which 5 are EAP.

INDIAN ECONOMY

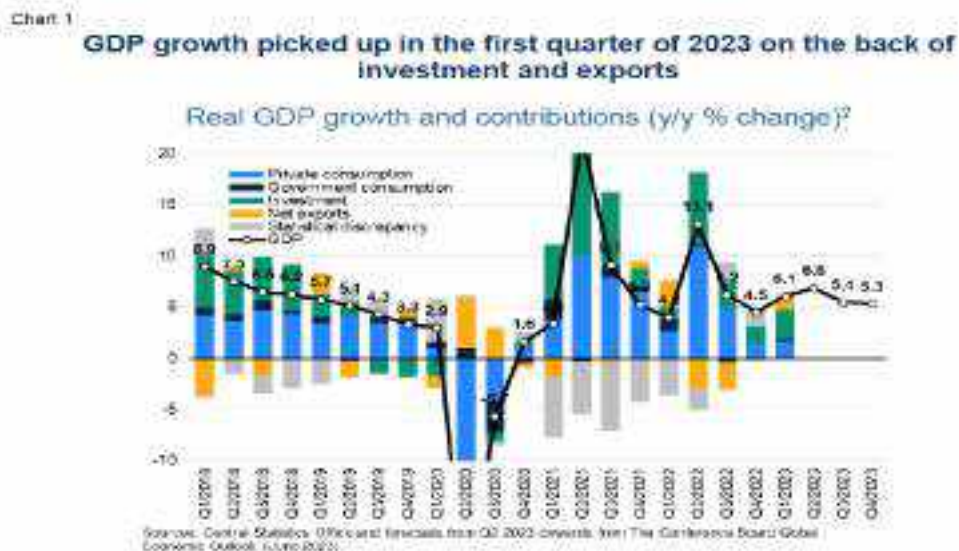
India, which became the world's most populous nation in 2023, is defying the overall global economic slowdown. While growth is expected to moderate somewhat over the next decade, India is expected to remain a key driver of global growth.

The Indian economy is holding up relatively well amid a challenging global economic backdrop, with GDP growth of around 6 percent expected for the calendar year 2023 and about 5 percent for 2024, well above other large economies. Growth is expected to moderate somewhat over the next decade to about 4.5 percent annually, reflecting primarily a slower rate of capital accumulation and productivity growth. However, India is expected to remain a key driver of global growth, and the expanding market that results should offer global businesses plenty of growth opportunities.

Short-Term Outlook

The Indian economy is enjoying robust momentum in 2023. Real gross domestic product (GDP), a broad measure of expenditures on goods and services, expanded by 6.1 percent in the first quarter compared to the same quarter a year ago, picking up the pace from last quarter's 4.5 percent (**Chart 1**). Growth in the first quarter was buoyed by investment (green bar in the chart) and net exports (yellow bar), while the contributions from private and government consumption (light blue and black bars) were relatively muted.

Near-term growth dynamics look broadly favorable. Growth is expected to pick up further in the second quarter of 2023, though largely related to the low base of the previous year, after which it may slow somewhat to about 5 percent year over year. Recent readings of economic activity indicators, including purchasing manager indices and The Conference Board Leading Economic Indicator for India suggest continued growth ahead. Investment continues to be supported by government capital expenditures. Private consumption is supported by ongoing labor market improvements, as indicated by rising employment rates, particularly for women, and falling inflationary pressures. Further support comes from favorable developments in the agricultural sector, which employs over 40 percent of the Indian workforce.¹ Forecasts are pointing to an expected record harvest, especially of wheat, and a normal monsoon season, though the arrival of an El Niño weather pattern represents a risk. Net trade, strongly positive in Q1, could moderate somewhat over the course of 2023 as parts of the global economy are slowing, though India's services exports continue to boom. On the other hand, India is a net commodity importer, and so lower commodity prices in 2023 (compared to 2022) would support growth as they lower costs and improve the trade balance. One example of a lower cost on the horizon: we forecast Brent oil prices to average 84 dollars in 2023 (versus 99 dollars in 2022)



Long-Term Outlook

Projections for growth over the next decade point to moderate slowing compared to pre-pandemic rates. Economic growth in India averaged about 7 percent annually in the first two decades of the 2000s. The pandemic recession and recovery period (2020-2023) saw a substantial downshift in annual average growth to about 4 percent. Over the next decade, our projections point to annual growth of about 4.5 percent (Chart 2). These GDP forecasts are informed by projections of the so-called supply-side drivers of growth, namely labor, capital and total factor productivity (TFP).

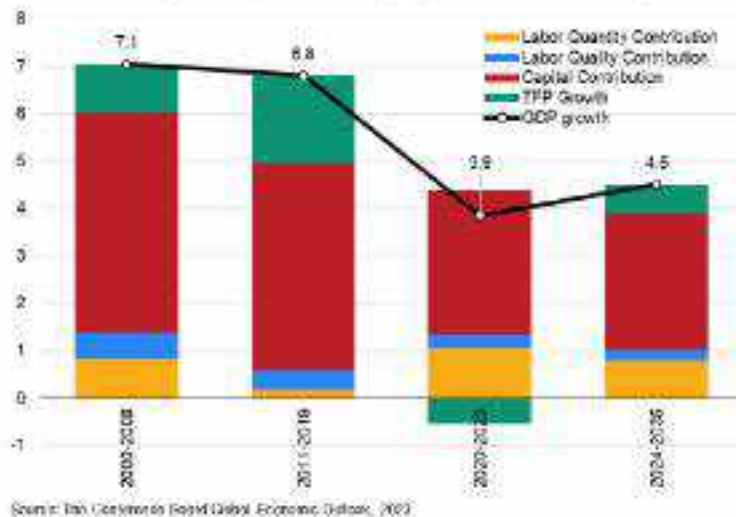
Increases in participation rates should lead to a bigger contribution to growth from labor. Over the coming decade we expect the recent trend of increased participation rates to continue and lead to a larger contribution of labor input to GDP growth relative to the 2011-2019 period. For example, the employment rate of females aged 15 and above in urban areas has been on an upward trend, from 16.4 percent in the second quarter of 2018 (first datapoint available of these series) to 20.6 in the first quarter of 2023. The same is true for female participation trends in rural areas, though there is less timely data available to confidently make the claim of a sustained turnaround.

Over the next decade we expect capital to remain the dominant driver of growth, though at a slower rate than before. This will lead to slower overall GDP growth. Private investment may remain relatively subdued as

uncertainty and unpredictability in terms of economic policy persists and is constrained by continued low saving rates. Also, improvements in the supply of labor may also require fewer investments in capital than would have been the case otherwise. A much faster growth path would (among other things) require a sustained industrialization drive, which we deem unlikely. Still, despite a slower rate of capital input growth compared to its own history, the overall rate of growth remains impressive by international comparison and reflects India's continued development and catching up potential vis-à-vis richer economies.

Chart 2:

Projections point to slower GDP growth ahead
 Real GDP growth and supply-side decomposition (average annual percent change and percentage-point contributions)



Capital has been the dominant driver growth (red bars in Chart 2). Capital accumulation has been the dominant driver of growth in India over the last two decades, explaining almost two-thirds of real GDP growth. However, growth in capital inputs and underlying investment rates have been on a slowing trend across virtually all industries since around 2012. This slowdown has been attributed to, among other things, falling long-term saving rates, balance sheet crises on the part of banks and construction companies, and a weakening global trade and investment environment in the aftermath of the Global Financial Crisis of 2008/09.⁴ While public investment has held up, it was mostly private investment that suffered from these adverse trends. This culminated in a contribution of capital of about 3 percentage points to average annual GDP growth in the pandemic period of 2020-2023 (Chart 2), versus about 4.5 percentage points in the previous decades.

Despite challenges, India should remain among the fastest growing economies globally in the next decade. Despite being a lower-middle income economy, a relatively young and large population, and a growing middle class should represent plenty of growth opportunities for business worldwide. Furthermore, wide use of English and a relatively skilled workforce underpin the role of India as the world's back office (e.g., IT services, administrative support, consultancy services). India is also benefiting from relocation of production activities, mainly out of China. But overall, we think the scope of industrialization in India is relatively limited. Despite decades of policy objectives, India's industrial base remains relatively underdeveloped. Finally, geopolitical developments are also relatively benign for India, as Western political leaders increasingly see India as a strategic partner in the region to counter the influence of China.

GLOBALE CHEMICAL INDUSTRY

Chemicals Global Market Report 2023 – By Type (General Chemical Product, Printing Inks, Toiletries, Soap And Cleaning Compounds, Adhesives, Paints And Coatings, Pesticide And Other Agricultural Chemicals, Chemical Fertilizers, Synthetic Rubber And Fibers, Plastic Material And Resins, Ethyl Alcohol And Other Basic Organic Chemical, Other Basic Inorganic Chemical, Synthetic Dye And Pigment, Industrial Gas, Petrochemicals), By Type Of Intermediate Chemicals (Methanol, Ethylene Oxide, Propylene Oxide), By End User (Pharmaceuticals,

Agrochemicals, Water Treatment, Construction, Paints and Dyes, Oil and Gas, Rubber Chemicals, Surfactants, Personal Care, Other End-Users) – Market Size, Trends, And Global Forecast 2023-2032.

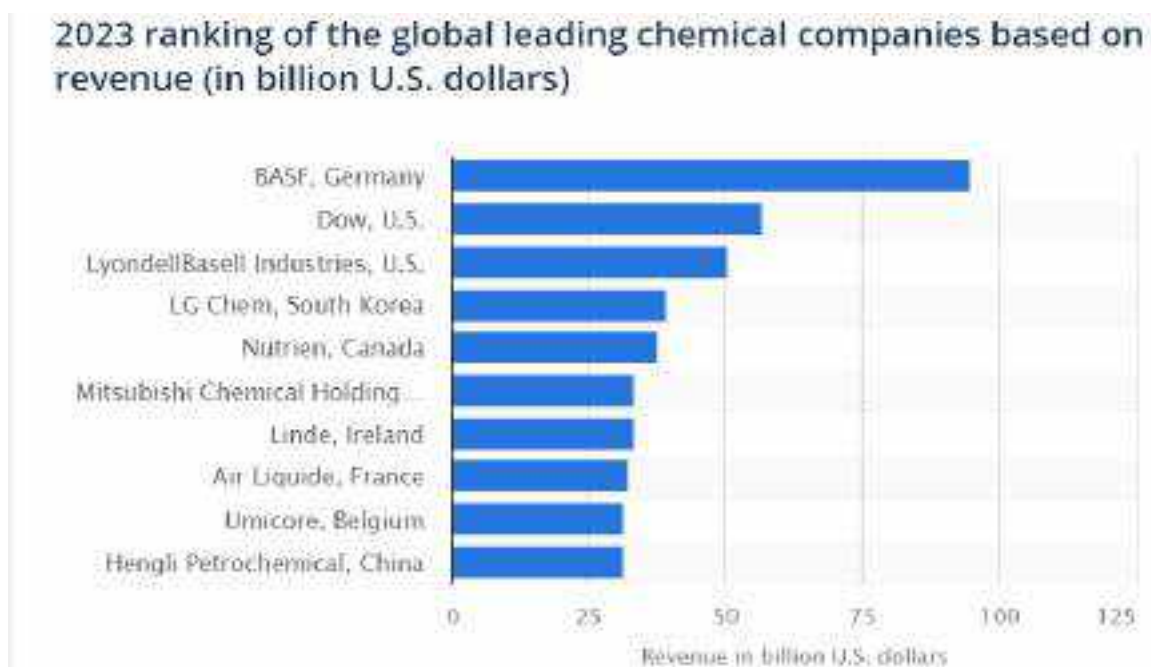
The global chemicals market size will grow from \$4700.13 billion in 2022 to \$5079.29 billion in 2023 at a compound annual growth rate (CAGR) of 8.1%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The market size of chemicals is expected to grow to \$6851.59 billion in 2027 at a CAGR of 7.8%.

The countries covered in the chemicals market report are Argentina, Australia, Austria, Bangladesh, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Hong Kong, India, Indonesia, Ireland, Israel, Italy, Iran, Japan, Malaysia, Mexico, Netherlands, New Zealand, Nigeria, Norway, Peru, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, UAE, UK, Ukraine, USA, and Vietnam.

(Source: <https://www.thebusinessresearchcompany.com>)

The chemical industry category offers data on the various chemical segments, including inorganic and organic chemistry, petrochemicals, agricultural chemicals, paint and coatings, materials science and composites, and others. Statista's chemical industry analysis includes production, consumption, and trade figures for a wide variety of chemical products, in addition to the key financial indicators and data about the leading companies in this industry.

Chemical products make up one of the world's largest industries, partly because of the ubiquity of chemicals in



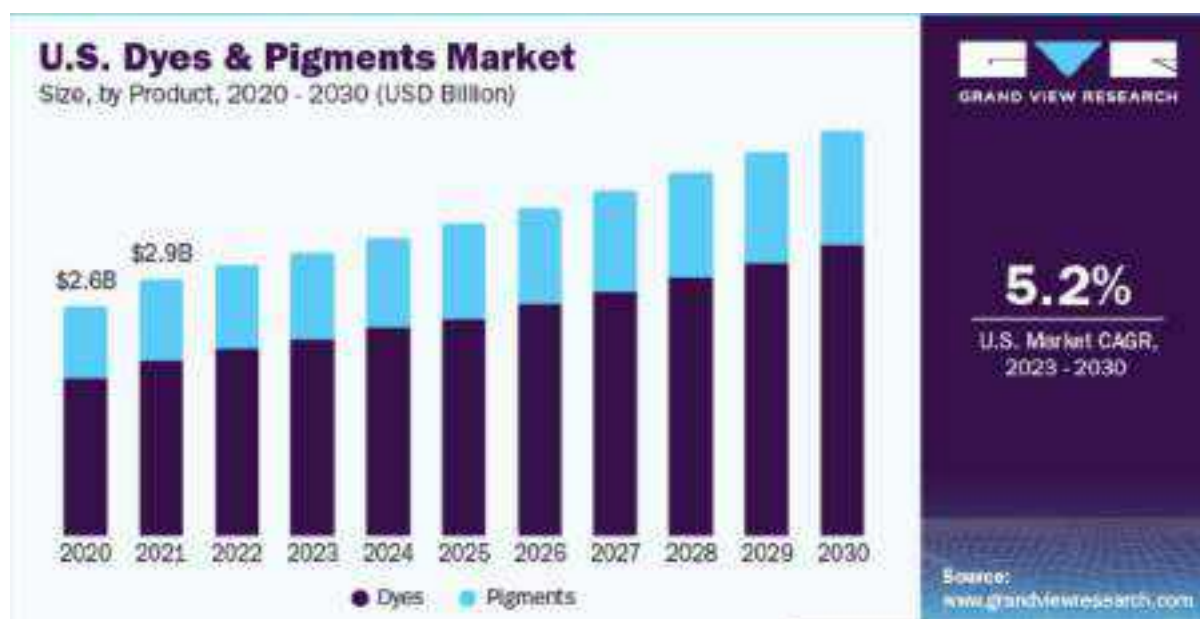
the products used in everyday life, in addition to the breadth of chemical products that exist. Although the chemicals industry has developed alongside the industrial development of the world, this established industry is undergoing a period of change.

With Asia already standing as the industry's largest revenue-generating region, it is fitting that China will become the center of the world's chemical industry in the coming years. Chemical sales growth will likely be challenged by new environmental regulations. Emergent digital technologies may pave the way for increased productivity and shift the existing chemical business paradigms.

BASF, a multinational chemical company headquartered in Ludwigshafen, Germany, has retained its position as the world's largest chemical company by annual revenue for several consecutive years. The company's diverse portfolio has led to impressive financial results, with a revenue surpassing 94.83 billion U.S. dollars in 2023. Dow Chemical and LyondellBasell, both headquartered in the United States, have also emerged as leading global chemical companies, consistently ranking among the top five.

Source: www.statista.com

The global dyes and pigments market size was valued at USD 38.2 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 5.3% from 2023 to 2030. Increasing demand from various application industries such as textiles, paints & coatings, construction, and plastics is expected to drive the market growth. Major producers are actively venturing into enhancing their products by utilizing advanced technologies for the efficient removal of hazardous pollutants during the manufacturing process. Manufacturers are likely to experience varied production costs due to volatility in the prices of raw materials, such as benzene. A wide distribution network in the market is achieved through both brick & mortar stores and online retailing.

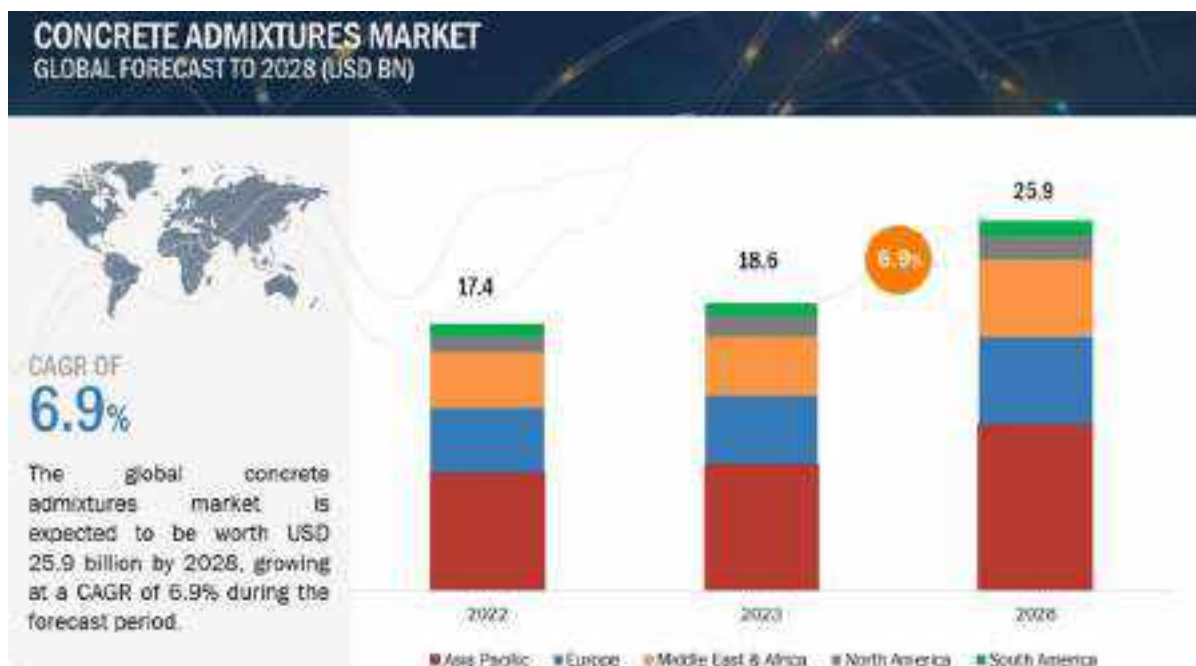


Product Insights

The reactive dyes segment dominated the market with a revenue share of more than 57% in 2022. These products are composed of highly colored organic substances and have primary applications in tinting textiles. They have a high resistance to fading and are available in a range of bright shades, which makes them suitable for coloring cotton and rayon. Moreover, they can form a covalent bond with fibres during the process of dyeing. It also includes a parent dye, a linking group, and an active group. These advantages enable them to inhibit characteristics, which are superior and preferable over other dyes used in cellulose fibres. The segment is estimated to expand further at the fastest CAGR from 2023 to 2030.

Inorganic pigments earned a higher share in the market as compared to organic pigments due to properties, such as good wetting, darker color, and leanness. However, the organic pigments segment is anticipated to register the fastest CAGR of 5.7%, in terms of revenue, from 2023 to 2030. Stringent regulations affecting the inorganic pigments demand are also likely to provide positive scope for organic pigments through internal substitution of the product.

the concrete admixtures market is estimated to grow from USD 18.6 billion in 2023 to USD 25.9 billion by 2028, at a CAGR of 6.9%. One of the major reasons for making a positive outlook for the concrete admixtures market is the mounting urbanization in various countries worldwide, the emerging construction industry in several countries such as China and India, and the enriched quality of construction. Also, technological advancements in the construction industry are pushing the market. Due to these reasons, the consumption of concrete admixtures has grown significantly.



(Source: www.marketsandmarkets.com)

INDIAN CHEMICAL INDUSTRY

Introduction

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world production of dyestuffs and dye intermediates. As per Chemexcil (Chemicals Export Promotion Council), India's agrochemicals export was estimated to be at US\$ 1.04 billion from April 2023-June 2023 (Provisional). Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). From April 2023 to June 2023 (provisional), India's dye exports (Dyes and Dye Intermediates) totalled US\$ 561.56 million.



The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals. Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit

Markets Size

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.

India has traditionally been a world leader in generics and biosimilars and major Indian vaccine manufacturers, contributing more than 50% of the global vaccine supply. Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22.



The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

Moreover, according to the CRISIL report, the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18-20% in 2022 and 14-15% in 2023.

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Investments and Recent Developments

A few recent developments/investments in the Indian chemical sector are as follows:

- From April 2023 to June 2023 (Provisional), exports of organic (US\$ 1.88 billion) & inorganic (US\$ 483.16 million) chemicals were estimated at US\$ 2.37 billion.
- Imports of organic (US\$ 3.83 billion) and inorganic (US\$ 1.84 billion) chemicals totalled US\$ 5.63 billion from April 2023 to June 2023 (Provisional).
- From April 2023 to June 2023 (Provisional), exports of castor oil, essential oil and Cosmetics and others stood at US\$ 1.01 billion.
- Chemical production reached 926.99 million metric tonnes (MMT) in May 2023, while petrochemical production reached 1,786.39 MMT. In May 2023, production levels of various chemicals were as follows: Soda Ash: 259.52 MMT, Caustic Soda: 287.49 MMT, Liquid Chlorine: 207.18 MMT, Formaldehyde: 28.74 MT and Pesticides and Insecticides: 22.27 MMT.
- In August 2023, the Prime Minister announced a subsidy of US\$ 120.93 billion (Rs. 10 lakh crore) for providing cheaper Urea to farmers.
- In July 2023, Global Chemicals and Petrochemicals Manufacturing Hubs in India (GCPMH 2023) was organized in Delhi, India.
- In June 2023, Himadri Speciality Chemical invested US\$ 7.01 million (Rs. 58 crore) in Sicona Battery Technologies Pty Ltd, (Sydney) for a 12.79% stake.
- In June 2023, Mumbai-based UPL Ltd, will hive off its specialty chemicals business on a slump sale basis to wholly-owned arm UPL Speciality Chemicals Ltd for US\$ 431.96 million (Rs. 3,572 crore).
- In June 2023, Reliance plans to invest US\$ 9.06 billion (Rs. 75,000 crore) over 5 years to expand its oil to chemical business.
- Tata Chemicals intend to invest about US\$ 967.45 million (Rs. 8,000 crore) over the next 2-3 years as capex on an expansion spree that includes scaling businesses sustainably.
- In May 2023, Reliance Industries plans to set up 10 GW solar project in Andhra Pradesh.
- In March 2023, Chennai awaits more bio-CNG plants to enable switch to clean energy.
- On February 15th, 2023, Indian Speciality Chemical Manufacturer' Association (ISCMA) signed an MoU with USIIC to promote trade in speciality chemicals.
- In February 2023, the company is setting up a new formaldehyde plant with 300 TPD capacity at the existing manufacturing facility at GIDC, Ankleshwar in Gujarat.
- In January 2023, Tata Chemicals Europe signs pact with Essar-backed Vertex for sale of low-carbon hydrogen.
- In December 2022, GMM Pfadler Ltd has entered into an agreement on December 8, 2022 to acquire Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. for US\$ 7.63 million.

Government Initiatives

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.

- Government to open 25,000 Jan Aushadhi Kendras to make medicines available at affordable prices.
- In April 2023, Cabinet approves the National Medical Devices Policy, 2023.
- The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- Under the Union Budget 2023-24, the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.

- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 21.48 billion between April 2000-June 2023.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
 - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
 - Single window clearance for central and state-level approvals.
 - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020. The Gujarat Infrastructure Development Corporation (GIDC) has made an investment of around US\$ 2.09 billion (Rs. 17,317 crore) for infrastructure development in the PCPIR.

Road Ahead

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

To bring about structural changes in the working of domestic chemical industry, future investments should not only focus on transportation of fuels such as petrol and diesel, but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

(Source: www.ibef.org)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 16 of this Letter of Offer, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Letter of Offer, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 20 and 75, respectively.

OVERVIEW OF THE BUSINESS:

Our Company was originally incorporated as ‘Ushanti Colour Chem Private Limited’ under the provisions of Companies Act, 1956 at Gujarat *vide* Certificate of Incorporation issued by Registrar of Companies, Gujarat on May 12, 1993. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 19, 2018 and the name of our Company was changed to ‘Ushanti Colour Chem Limited’ and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 07, 2018 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U24231GJ1993PLC019444.

Our Company is in the business of manufacturing and trading of various colours of dyestuffs since 1993 till 2013. After getting permission for manufacturing of CPC Blue Crude dyestuff and witnessing the growing demand of our CPC Blue product our Company decided to focus into business of manufacturing on one specific product type and specialise in it. Our Company manufactures reactive and direct dyestuffs also known as Synthetic Organic Dyes with an integrated production process. The company also manufactures Copper Phthalocyanine, Blue Cued which are one of the major raw materials used for manufacturing of Dyestuffs. The pigment and dyestuffs manufactured by us caters to the raw material requirement of textile, garment, cotton, leather, nylon, paper, wool, ink, wood, plastic and paint industries. We concentrate in manufacturing “Turquoise Blue” Dyestuffs and Pigments. The Company has 3 manufacturing facilities situated together at Vatva GIDC in Gujarat. The facilities are spread over 2,739 sq. meters in total area. Our company also has its own Ice generation machinery, further it recovers Ammonium Carbonate from its effluent stream which are reused in the plant as well as sold to the Soda Ash Industry reducing wastage giving us incremental revenue. The Company currently has a production capacity of approx. 2,520 tons per annum. The manufacturing facilities are equipped with requisite machineries to keep a constant check on quality. The company is an ISO 9001:2015 certified company certifying the quality of the product our company manufactures.

Our Company manufactures dyes of various concentrations which influences the pricing of the product. We procure quality raw materials from Chemical industries present in Domestic markets who manufactures intermediates of dyestuffs. Our focus on “Turquoise Blue” Dyestuffs has assisted us to be become a niche player in the segment. Our company generates most of its revenue from export operations and has received from Certificate of Recognition as Export House, products of the company are exported to countries like, Turkey, Egypt, Bangladesh, Pakistan, Indonesia, China etc. We have a dedicated Research & Development and Quality Control Team, which looks after the quality of the product we manufacture. Our customers are mostly traders who sell directly to textile manufacturers as well as other industries. Our relationship with our traders and esteemed customer base is key factors of our success in the industry.

The trading activity of our Company is dependent upon the orders received from its customers. In case of a bigger order which Company is not being able to fulfil out of its existing manufactured products and in order to meet such demand, the Company gets the differential quantity from the market. In alternate scenario, in case of a bundled order where the Company does not manufacture certain products from the total order received,

Company fulfils the demand by getting such products from the market. To sum up, the trading business of our Company is completely order driven.

Our Company is promoted and managed by Mr. Maunal Gandhi and Mr. Minku Gandhi. With decades of experience in this industry, our promoters along with the team of management are actively involved in the day-to-day affairs of our company's operations adding valuable knowledge and experience required for sustainable growth.

Our presence in the business for more than 2 decades have aided us to create a brand image coupled with the industry experience we possess; our brand is well received by the market and we aim to continue to further strengthen our brand by supplying qualitative products at competitive prices across the globe.

Our Company's registered office and manufacturing facilities are as below:

Registered Office: 88/8, GIDC Phase I, Vatva, Ahmedabad – 382445, Gujarat, India




Manufacturing facility:

Unit 1 - 88/6, GIDC Phase I, Vatva, Ahmedabad – 382445, Gujarat, India

Unit 2 - 88/7, GIDC Phase I, Vatva, Ahmedabad – 382445, Gujarat, India

Unit 3 - 88/8, GIDC Phase I, Vatva, Ahmedabad – 382445, Gujarat, India

OUR PRODUCTS:

Product Name	Product	Description
Turquoise Blue Dyes		Direct/ Reactive Turquoise Blue dyes are a class of highly coloured organic substances, primarily used for textiles, paper and ink. The Reactive Dyestuffs attach themselves to their substrates by a chemical reaction that forms a covalent bond between the molecule of dye and fibre. The Direct Dyestuffs have multiple applications in Textiles, Inks, Paper but do not react with the substrates.
Alpha Blue		This is a product manufactured by pigmentation of CPC Blue Crude and has very good applications in Textile, Plastic, Paper, Ink, Paint and many other industries.
Copper Phthalocyanine Blue		A bright, crystalline, synthetic blue pigment from the group of Phthalocyanine dyes. It is highly valued for its superior properties such as light fastness, tinting strength, covering power and resistance to the effects of alkalis and acids. It is a Raw Material for production of Turquoise Blue Dyestuffs, Pigment Green, Pigment Alpha Blue & Pigment Beta Blue.

The Product wise revenue of our Company for the year period March 31, 2023 and for the six months period ended September 30, 2023, are as follows: -

Particulars	March 31, 2023(in ₹ lacs)	In Percentage (%)	September 30, 2023 (in ₹ lacs)	In Percentage (%)	March 31, 2024(in	In Percentage (%)
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					₹ lacs)	
Turquoise Blue Dyes	2815.95	67.32	1563.35	80.59	2881.75	68.40
Alpha Blue	964.36	23.05	371.75	19.16	959.40	22.77
Copper Phthalocyanine Blue	402.83	9.63	4.72	0.24	371.61	8.82
Total	4183.14	100.00%	1939.82	100.00	4212.76	100.00

The State wise revenue of our Company for the year period March 31, 2023 and for the six months period ended September 30, 2023, are as follows: -

Particulars	March 31, 2023 (in ₹ lacs)	In Percentage (%)	September 30, 2023 (in ₹ lacs)	In Percentage (%)	March 31, 2024 (in ₹ lacs)	In Percentage (%)
Gujarat	2300.91	54.40	1172.16	56.89	2200.55	52.23
Madhya Pradesh	-	-	1.03	0.05	15.69	0.37
Maharashtra	328.43	07.76	137.80	6.69	353.09	8.38
Haryana	1.23	0.03	-	-	-	-
Punjab	11.62	0.27	12.86	0.62	25.60	0.61
Rajasthan	447.52	10.58	91.67	4.45	452.13	10.76
West Bengal	11.50	0.27	-	-	-	-
Export	1128.79	26.69	644.83	31.30	1164.72	27.65
Total	4230.00	100.00	2060.35	100.00	4212.79	100.00

Top Ten suppliers

Particulars (in ₹ lacs)	FY 2023	September, 2023	FY 2024
Top 10 total purchase value	1913.92	708.65	1966.64
Top 10 total purchases in percentage	62.11%	50.16%	66.38%

Top Ten customers

Particulars (in ₹ lacs)	FY 2023	September, 2023	FY 2024
Top 10 total sales value	2212.12	1049.90	2519.60
Top 10 total sales in percentage	50.84%	50.97%	59.81%

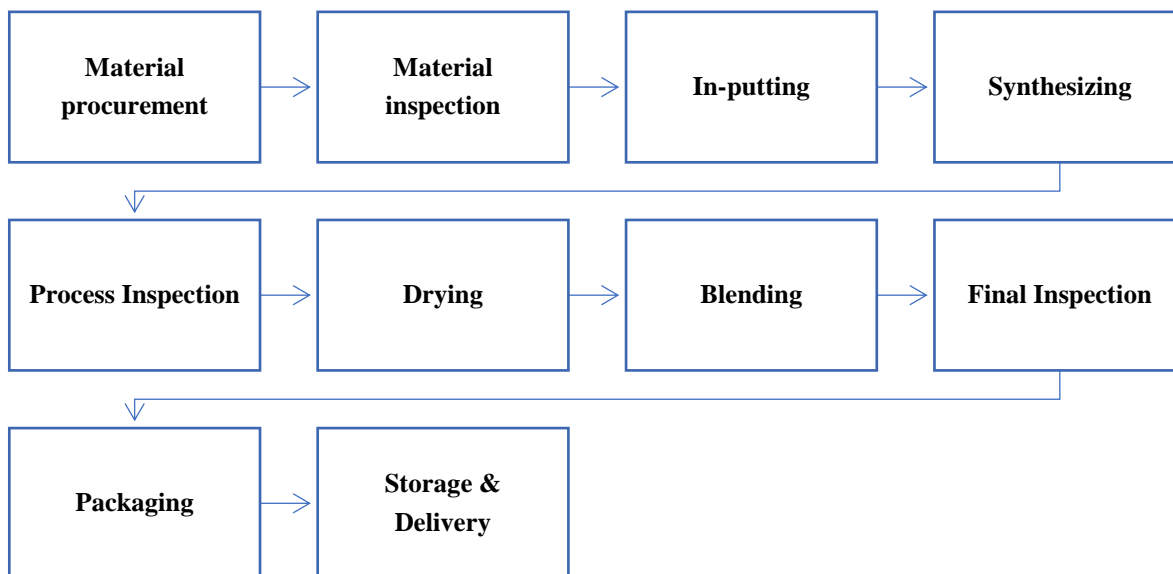
END USERS:

We cater to International and Domestic customers. Currently we offer our products through traders. We manufacture dyes that are used for dyeing cloths in textile and garment industry and are sold as per the orders received by parties either directly from manufacturers or traders.

RAW MATERIALS:

Our company procures more than 10 raw materials of different types and nature. Major raw materials of the company are Vinyl Sulphone, Thionyl Chloride, Soda Ash, Ammonium Molybdate, etc. We meet our raw materials requirements by procuring such materials from domestic market.

OUR MANUFACTURING PROCESS:



1. Material procurement:

We intend to maintain low-cum-sufficient level of inventory. To achieve this, we plan and forecast our productions and accordingly the order for raw material is placed. Our production team and sales team are in constant touch which helps us to order optimal level of raw material. Further, our technical team ensures that the raw materials we procure are meeting the quality standards. Once the raw materials are procured from nearby suppliers, it is stored in our manufacturing facility having adequate storage capacity.

2. Material Inspection:

All materials procured or manufactured at our plants are properly tested for its purity and only after the approval of the purity, the same are used for further process.

3. In-putting:

Once tested, the raw materials are used and charged at required pressure and temperature as per the product designs to ensure best yields.

4. Synthesizing:

To maintain the optimum reaction conditions at every reaction stage, the chemical team controls the whole synthesizing/reaction process according to the procedure manual for each product. Synthesis/Reaction is the process in which all the elements of the dye are mixed together with required technical and chemical criteria.

5. Process Inspection:

To maintain the primary product after synthesizing in best quality, the in-house inspection team with requisite technical expertise in the quality-management department makes strict inspections of important items and assesses them to determine whether they are good enough for further processing.

6. Drying:

In the spray drying process, moisture from the dye is evaporated through heating while the powder form of dye is collected in bags. Spray-drying machines are usually large in size where heating and the entire process of drying the dyestuff is continuously followed.

7. Blending:

The skilled technicians of production team as well as quality control team blend the material of different batches to make a good and homogeneous lot as per the quality requirements of the customers.

8. Final Inspection:

The inspection team of the quality management department collects samples from all manufactured items by lot to compare with the standard samples through the spectrophotometer and dyeing test, and thereby in case their colouring, penetration, fastness, etc. fall within the minimum allowable limits of error, the manufactured items shall be allowed to be packed as final products.

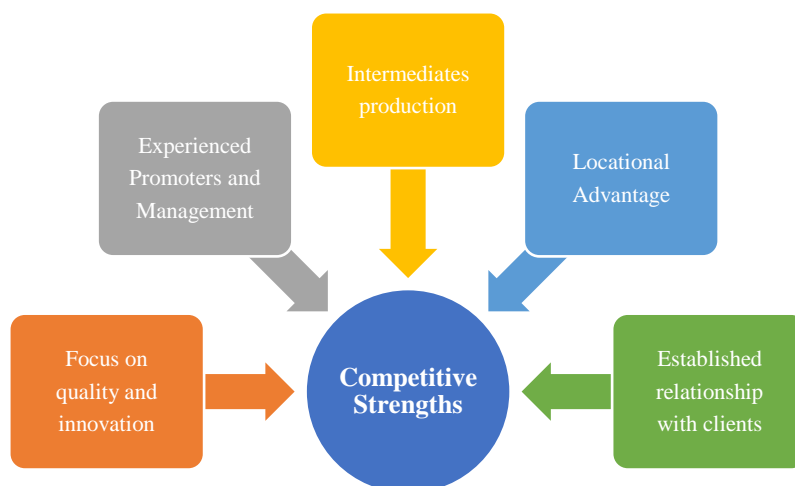
9. Packaging:

Once the product meets all the required quality criteria, they are packed into baggage like bags, Jumbo bags, boxes, MS drums etc. as per the requirement of the customer. Packaging is done keeping in mind the safety of the products and at the same time ensures low leakages into open environment.

10. Storage & Delivery:

After proper packaging as per the customer's order, they are either directly loaded into trucks for shipment or they are stored in the warehouse inside the premises itself. Necessary care is taken to avoid any contamination of the product. Exports orders are made through Mundra Port, Pipavav Port, Mumbai JNPT, Amritsar rail as per the final location of the customer.

OUR COMPETITIVE STRENGTHS:



1. Focus on quality and innovation

We believe our strength and success factor has been our constant focus on quality and innovation. To keep sailing on it, we stress on and constantly strive to improve the quality of our products. We have a dedicated R&D team which constantly works for waste effluent management, improving the quality, alternative cost saving methods and the likes. Our Company is an ISO 9001:2015 certified and our technically qualified team ensures that we procure raw materials which meet the quality standards. To ensure quality products, we test samples from every lot of raw material in our laboratory and only once they meet the quality criteria, it is further used for production. Further, finished products are also checked with respect to quality, and only after meeting the quality standards, products are considered for packing. We have produced a wide range of colours and their combinations meeting wide range of customers' demands.

2. Experienced Promoters and Management

We have an experienced management team including our promoters who have an experience of more than 2 decades in dyestuff industry. Our Company is led by our promoters, Mr. Maunal Gandhi and Mr. Minku Gandhi who has rich experience and knowledge of the industry. Their vision and values have been the foundation of our growth story. The business which was started just as a trading company has now become an export-oriented manufacturing company with further expansions plans in place. We understand quality forms an important aspect in dyestuff industry and hence we have established a qualified technical team to ensure quality output. It

is through the constant vision and experience of our management team including the promoters, we have been able to build a sustainable business model and created a wide market reach. We strongly believe that the success of our organization lies in the efforts of our human resources.

3. Intermediates Production

Dyestuffs manufacturing involves use of many raw materials and intermediates in the whole process, prices of which are highly volatile and forms a significant part of total manufacturing costs. Further, dependency on third party suppliers affects the overall costs. Hence, our company has been into manufacturing of one of the intermediates, CPC Blue, which helps us to reduce our dependency on third parties, saving us substantial amount.

4. Locational Advantage leading to reduction of cost

Reducing cost of production is an inherent activity which our company has been focussing on since its inception. Procuring raw material at a competitive price effect our financial position substantially. We procure almost all of our raw materials mostly from domestic players having their facility/warehouses in close proximity to our manufacturing facility hence reducing the cost of transportation without compromising on the quality of the raw material procured. It also ensures us a continuous supply of raw materials. Further, our upcoming facility is strategically located at Bharuch, Gujarat which is approx. 15 kms from the nearby port which will further help us reduce our overall cost.

5. Established relationship with clients

Our company generates most of its revenue from export operations, it has trusted buyers in foreign countries from which we receive repeated orders in frequent intervals. The repetition of orders is basically owing to the quality of the products we provide and also the healthy relationships we maintain. Our promoter visits regularly to our foreign traders to understand their needs, concerns and address them personally. We understand the dye industry is highly competitive and maintaining healthy relationships will help us to beat the competition.

OUR BUSINESS STRATEGY:



1. Business expansion

We started our business in 1993 and steadily increased the capacity to around 2,520 tons per annum. With the customer base we already have, rich experience we possess and the growth we foresee due to structural shift of demand to India, we expanding our business by setting up a new facility with a manufacturing capacity of around 16,140 tons per annum in various phases in Saykha Industrial Estate - Bharuch, Gujarat. The machineries required for this while the permitted capacity is around 32,800 tons p.a. To implement this, we have

already purchased a land measuring 75,060 sq. meters. We have successfully commissioned our plant for manufacturing Dyestuff Intermediates in September 2023 under our subsidiary UC Colours and Intermediates Private Limited. Once this plant is properly functional over a period of 6-8 months, we shall work on commissioning a new plant for manufacturing dyestuffs, dyestuffs for inks and inks at UCL GIDC property in Saykha.

2. Reduction of costs

With capacity built up from Intermediates to Dyestuffs to Dyestuffs for Inks to Inks, we shall have a huge cost advantage over our competitors.

3. Vertical integration of production process

The company intends to increase the research and development efforts to develop manufacturing process for a wider range of dyes products, by vertically integrating the production processes. This will serve as an effective cost cutting as well as expansion measure. This can be done through continual improvement in technology, cut manufacturing costs through process improvement, develop new product lines which are environmentally responsible. One vertical expansion that we have planned is new plant of Dyestuffs which will be converted to Dyestuffs for Inks and further processed to Inks. This plant will use material of our subsidiary UC Colours and Intermediates Private Limited as intermediates for synthesis.

4. Expanding customer base

Dye manufacturing is done only in India, China and Indonesia. However, India and China meets the substantial portion of global demand and hence the market for manufacturers in India is huge. The company's product is currently marketed majorly in Asia and Middle East. The strategy going forward is to cater the market of other international locations, viz., UK, USA, Canada, etc. The demand for dye is ever increasing including in India where catering to newer customer will be comparatively an easier task.

5. Capacity expansion

Our company is currently operating at around 90% of its capacity. With the strong relationship we possess with our customers, marketing our product can be done without much effort. Since, the market with the buyer is readily available, we intend to ramp up our production to boost the revenue. we would be increasing our overall production capacity which will enable us to enter into new phase of growth.

SWOT ANALYSIS:

Strengths:

1. Locational Advantage –

The manufacturing facility of our company is located at Vatva GIDC, Gujarat and the new proposed plant is located in Saykha Industrial Estate in Dahej, Gujarat which is 15 kms from Dahej Port allowing easy export to major markets. Raw material procurement are mostly done from players within Gujarat which are in near proximity to the manufacturing facility. This reduces our costs significantly.

2. Strong customer base –

We supply our products to traders in foreign countries. These customers bring repetitive orders and ensures continuous business to our company. This industry being a highly competitive industry requires strong customer base to grow and stay ahead.

3. Experienced management –

Our promoters are in the dye industry for more than 2 decades. Our technical team is led by qualified people who has the relevant technical knowledge. Their knowledge and experience gives our company a major benefit in devising and implementing the perfect strategy to stand above the competition.

Weakness:

1. Presence in one type of colour –

Although the company is producing variety of color shades in Reactive Blue dyes, we are majorly present only in 1 color, i.e., Blue. This restricts us to cater wider category of customers. However, going forward, our company intends to expand its portfolio to multi-colors with dyestuff/intermediates integrated plants of Blacks and other colors. However, expansion to Intermediates plant and further proposed expansion will increase our basket of colours.

2. Dependent on third party suppliers –

Our company procures most of the Dye intermediates from third party producers. It does not have its own manufacturing facility for producing all the required intermediates and hence is dependent on third parties to some extent. In the past, company has faced profitability issues owing to sudden increase in prices of intermediates, we are prone to such threats by our suppliers. However, the relationship and the volume of business we generate for them mitigates this weakness of us. Further all new plants proposed to be commissioned are with backward integration of raw materials intermediates also.

3. Failure to implement plans –

We believe successful implementation of strategy is more important than devising the strategy. If the plan as envisaged is not implemented properly, it may affect the business. However, with the decades of experience our management possess and the past trend of our business, we believe we would implement our strategies at the right direction without any difficulties.

Opportunities:

1. Decreasing competition from China –

Dye industry has only 2 major players across the globe, India and China apart from Indonesia. With increasing environmental norms and strict governmental regulations w.r.t operating a chemical industry, the competition which was being faced due to China is slowly eroding. There have been shutdowns of many facilities in China positively impacting the dye industry in India consequently growth in Dye prices. With decrease in total supply, dye manufacturers have huge opportunity both in terms of volume and value.

Threats:

1. Increasing competition –

Dye industry is highly competitive which faces competition from both organised and unorganised player. Our company faces tough competition from them in terms of pricing and customer base. Further, there is contingency on the longevity of benefit accruing due to restrictions in China. There may be turnaround in China's dye industry which possess huge threat to Indian market. However, our company has been successful enough to compete with them with increasing market share.

2. Regulatory risks –

Our company deals in hazardous chemicals. Hyaluronic acid, one of the products that is used in dye manufacturing is the most polluting industrial effluent. It is toxic and non-biodegradable. Hence here there is huge amount of compliance risk wherein it is obvious to state that if the Company fails to comply with Environmental Laws and Regulations, the results of operations will be adversely affected.

UTILITIES & INFRASTRUCTURE FACILITIES:

Infrastructure Facilities

Our registered office and manufacturing units are well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly. It is equipped with requisite utilities and facilities including the following:

Power

Our Company meets its power requirements by purchasing electricity from Gujarat State Electricity Board.

Water

Our Company procures water from GIDC bore well situated in nearby vicinity.

Fuel

We procure Gas from Adani for all its operations and coal from various sources.

Fire Hydrant

Our Company has installed fire safety equipment to manage any fire accident at its facility.

COLLABORATIONS/ TIE UPS OR JOINT VENTURE:

As on the date of this Letter of Offer, our Company has not entered into any technical or other collaboration or Tie ups or Joint Venture.

EXPORT AND EXPORT OBLIGATION:

As on date of this Letter of Offer, our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

CAPACITY AND CAPACITY UTILIZATION:

Our manufacturing unit is engaged in manufacturing and sale of reactive dyes. The production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Product	Existing					
	2021-22		2022-23		2023-24	
	Installed	Utilized	Installed	Utilized	Installed	Utilized
Turquoise Blue Dyestuff	135	70	145	95	145	97
Copper Phthalocyanine	50	27	50	25	50	20
VS Plant	NA	NA	NA	NA	NA	NA
Alpha Blue	25	21	25	18	25	17
Green 7	NA	NA	NA	NA	NA	NA
Percentage	100%	56%	100%	63%	100%	61%

PLANT AND MACHINERY:

Currently, the major plant and machinery installed in our manufacturing facility is given below. Further, none of the existing machinery are second hand.

Name of Major Machinery	Quantity
Steam Boiler	2
Thermic Fluid Heater	1
Hot Air Generator	1
Spray Dryer	1
Close Reaction Vessel	3
Filter Press	7
Glassline Vessel	4
Oil heater	1
Hoiest	3
RVD	1
Ice Plant	1
Pollution control plant	2

Name of Major Machinery	Quantity
RO plant	2
Condensnor	2
Spectro photo meter	2
Multi stage water pump	5
Dryer	1
Bag closer machine	1

HUMAN RESOURCES:

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on September 30, 2024 we have 54 employees at our manufacturing facility and registered office, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Bifurcation of the employee as per their role is as under:

Designation	Employees
Manager	3
Chemist	6
Admin Staff	18
Operators	18
Fitter	2
Electrician	1
Workers	2
Others	4
Total	54

COMPETITION:

Dye Chemical Products industry being a large and concentrated industry, we face competition from various domestic players and international players specifically from China. The industry which we cater to is competitive, unorganized and fragmented with many small and medium-sized companies and entities and we compete with organized as well as unorganized sector on the basis of pricing of product, product quality and product range. Most of our competitors in the regional level are from the unorganized sector. Among listed peers, we face competition from:

- 1 Colourtex.
- 2 Yash Chemex.

Although, competition for “Turquoise Blue” dyestuffs and pigments are lower than other dyestuffs due to specialised presence of competitors in respective segments, our Company intend to continue compete vigorously to capture more market share and manage our growth in an optimal way.

INSURANCE:

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks

associated with our operations and which we believe is in accordance with the industry standards.

We have taken Marine Cargo, Standard Fire & Special Perils Policy for a substantial majority of our assets at our office and factory. These policies also insure us against the risk of earthquakes with plinth and foundation. Our policies are subject to customary exclusions and customary deductibles. We will continue to review our policies to ensure adequate insurance coverage is maintained.

We have following insurance Policies:

Policy No.	Risk Covered	Sum Assured (Amount in Rs. Lakhs)	Name of the Insurer	Policy Period	
				From	To
OG-24-2202- 4057-00000224	Building Including Plinth & Foundation, Contents, Stocks, Furniture, Fitting and Fixtures, Plant and Machinery	2850.00	BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED	08/06/2023	07/6/2024

LAND AND PROPERTY:

We have our properties located at following:

Leasehold Properties:

Sr. No	Address of the Property	Area of the Property	Consideration Paid	Purchase Year / Lease Period	Lessor	Current Usage
01	GIDC,88/6 PHASE I, VATVA AHMEDABAD- 382445	909 SQ, MTRS	RS. 1.81 LACS	LEASE FOR 99 YEARS FROM 1975	GIDC	MANUFACTURING OF DYES & INTERMEDIATES & PIGMENTS.
02	GIDC DAHEJ 80-81-82-83, SAYKHA, BHARUCH.	MTRS	RS.6.52 CRORES.	PURCHASE 01.01.2018	GIDC	NO
03	GIDC 88/8, PHASE I, GIDC, VATVA AHMEDABAD 382445.	954SQ MTRS	RS.2.50 LACS(APPROX.)	LEASE FOR 99 YEARS	GIDC	MANUFACTURING OF DYES, INTERMEDIATES AND PIGMENTS

INTELLECTUAL PROPERTY RIGHTS:

Company has confirmed that no applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Letter of Offer, Our Company has six (6) Directors consisting of Two (2) Managing Director, one (1) Non-Executive Director and three (3) Non-Executive Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	No. of Equity Sharehold & % of Share holding (Pre-Issue)	Other Directorships/ Designated Partner
1.	Mr. Maunal Shantilal Gandhi Age: 53 Years Designation: Joint Managing Director Address: Someshwar II, Bunglow No. 17, Nr. Bidiwala Park, Satellite Road, Ahmedabad 380015 Term: Upto February 14, 2028 Occupation: Business Nationality: Indian DIN: 00118559	13,69,460 Equity Shares; 12.80% of Pre-Issue Paid up capital	➤ UC Colours and Intermediates Private Limited
2.	Mr. Minku Shantilal Gandhi Age: 53 Years Designation: Joint Managing Director Address: 4, Vanshree Villa, Opp. Vraj Villa, B/h. Nova Village, Mahakali Mandir Road, Bodakdev 380015, Gujarat, India. Term: upto February 14, 2028 Occupation: Business Nationality: Indian DIN: 00118617	13,73,460 Equity Shares; 12.83% of Pre-Issue Paid up capital	➤ UC Colours and Intermediates Private Limited
4.	Mrs. Hanisha Jinish Patel Age: 32 Years Designation: Independent Director Address: 2, Laxmi Nagar Society, Opp. DK Patel Hall, Naranpura, Ahmedabad 380013, Gujarat, India Term: upto January 30, 2028 Occupation: Service Nationality: Indian DIN: 07190911	NIL	➤ Hygeia Ortho Private Limited
5.	Mrs. Purvi Tapan Trivedi Age: 54 Years Designation: Independent Director Address: 51, Lavaniya Society, Near Jivraj Mehta Hospital, Dr. CV Raman Marg, Ahmedabad-380007, Gujarat Term: upto January 30, 2028 Occupation: Business Nationality: Indian DIN: 08064080	NIL	NIL

6.	Mr. Tejas Pravinkumar Shah Age: 49 Years Designation: Independent Director Address: C/11, Samkeet-2, Chandan Party Plot, Satellite, Ahmedabad-380015 Term: Upto August 28, 2027. Occupation: Business Nationality: Indian DIN: 00118509	NIL	NIL
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Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or none of our directors were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

Past Directorships in delisted companies

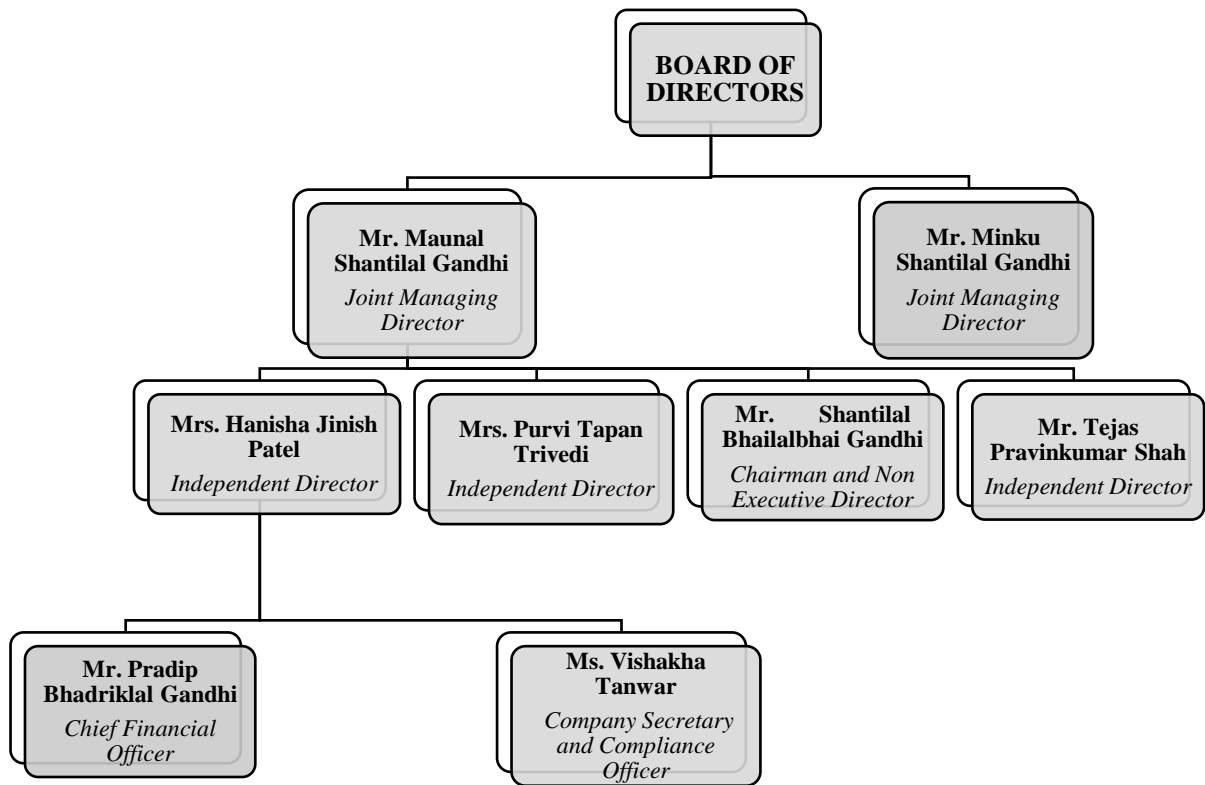
None of our Directors are or were a director of any listed company, which has been, or none of our directors were delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

Set forth below are the details of our senior management and key managerial personnel:

Name	Designation	Associated with Company since
Mr. Maunal Shantilal Gandhi	Joint Managing Director	Since Incorporation
Mr. Minku Shantilal Gandhi	Joint Managing Director	Since Incorporation
Mr. Pradip Bhadrilal Gandhi	Chief Financial Officer	13 th March 2018
Ms. Vishakha Tanwar	Company Secretary & Compliance Officer	25 th January, 2024

ORGANISATIONAL STRUCTURE



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr No.	Particulars	Page No
1.	Unaudited Financial Results for the half year ended September 30, 2023	F-1 to F-16
2.	Audited Financial Statements as at and for the year ended March 31, 2024 and 2023	F-17 to F-50

- DIRECT / REACTIVE / ACID DYE STUFFS
- SOLVENT / INKJET DYE STUFFS
- PIGMENTS & ADDITIVES

Date: November 22, 2023

To,
The Manager-Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai - 400 051,
Maharashtra, India.

Ref: Ushanti Colour Chem Limited; Symbol: UCL, Series: SM

Respected Sir/Madam,

Subject: Machine Readable Form / Legible copy of Financial Results for the half year ended on September 30, 2023.

Ref: NSE email dated November 21, 2023

With reference to the above-mentioned email and NSE circular no. NSE/CML/2018/02 dated January 16, 2018, we wish to inform the exchange that the financial results of Ushanti Colour Chem Limited ("the Company") for the half year ended on September 30, 2023 submitted with the stock exchanges within the stipulated time on November 11, 2023 and the same was duly taken on record by the exchanges. However, Submission was not in a Machine readable/ searchable format. Therefore, we are submitting herewith the legible copy of the financial results of the Company for the half year ended on September 30, 2023.

Kindly take the same on your record.

For, **Ushanti Colour Chem Limited**

MAUNAL
SHANTILAL
GANDHI

Digitally signed by MAUNAL
SHANTILAL GANDHI
Date: 2023.11.22 17:50:48
+0530



Maunal Shantilal Gandhi
Joint Managing Director
DIN: 00118559



Plot No. 88/6/778, GIDC, Phase I, Vatva, Ahmedabad - 382 445, (INDIA)

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E: maunal@ushanti.com | W: www.ushanti.com

CIN No. L24231GJ1993PLC019444

Ushanti Colour Chem Limited

CIN: L24231GJ1993PLC019444

Registered Office: 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India

Email id: maunai@ushanti.com, minku@ushanti.com

Website: www.ushanti.com

Unaudited Standalone Statement of Financial Results for the half year ended on 30th September, 2023

S No.	Particulars	Six months ended on	Corresponding Six	Preceding Six	Previous year
		30.09.2023 (Unaudited)	months ended on 30.09.2022 (Unaudited)	months ended on 31.03.2023 (Audited)	ended on 31.03.2023 (Audited)
		01.04.2023 to 30.09.2023	01.04.2022 to 30.09.2022	01.10.2022 to 31.03.2023	01.04.2022 to 31.03.2023
1	Revenue from Operation	2076.02	2573.18	1694.65	4267.83
2	Other Income	114.90	59.12	325.46	384.58
3	Total Revenue (1+2)	2190.92	2632.29	2020.11	4652.41
4	Expenses				
	(a) Cost of Materials Consumed	1182.49	1560.09	1040.27	2600.36
	(b) Purchase of Stock-in-trade	109.88	86.05	80.40	175.43
	(c) Change in inventories of finished goods, work in progress and stock-in-trade	(4.59)	49.60	(28.22)	21.38
	(d) Employee benefits expenses	172.62	175.87	182.24	358.11
	(e) Finance Costs	24.35	32.60	24.07	56.67
	(f) Depreciation and amortization expense	76.82	84.81	82.33	167.14
	(g) Other expenses	528.35	609.15	490.01	1099.19
	Total Expenses	2689.92	2608.21	1871.10	4479.33
5	Profit before exceptional and extraordinary items and tax (3-4)	101.00	24.09	149.02	173.11
6	Exceptional items	0.00	0.00	0.00	0.00
7	Profit before extraordinary items and tax (5-6)	101.00	24.09	149.02	173.11
8	Extraordinary items	0.00	0.00	0.00	0.00
9	Profit before tax (7-8)	101.00	24.09	149.02	173.11
10	Tax expense:				
	(a) Current tax	(16.52)	0.00	0.00	0.00
	(b) Deferred tax	(0.91)	-4.62	(1.97)	(6.59)
	(c) Other tax exp/Ad for earlier year	0.00	0.00	0.00	0.00
11	Profit (Loss) for the period from continuing operation (9-10)	85.39	28.71	150.99	179.70
12	Profit/(Loss) from discontinuing operations	0.00	0.00	0.00	0.00
13	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00
14	Profit/(Loss) from Discontinuing operations (after tax) (12-13)	0.00	0.00	0.00	0.00
15	Net Profit (Loss) for the period (11+14)	85.39	28.71	150.99	179.70
16	Earnings Per equity Share:				
	a) Basic	0.83	0.39	3.29	2.18
	b) Diluted	0.83	0.39	3.29	2.18
17	Paid-up equity share capital (Face Value of the Share shall be Rs. 10/- each)	1030.17	730.17	1030.17	1030.17
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				3744.91

For, Ushanti Colour Chem Limited

Maunai Shantil Gandhi
Joint Managing Director
(DIN: 00118559)



Date: 11/11/2023
Place: Ahmedabad

Ushanti Colour Chem Limited

CIN: L24231GJ1993PC019444

Registered Office: 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India

Email Id: maunai@ushanti.com, miniku@ushanti.com

Website: www.ushanti.com

Unaudited Standalone Statement of Assets and Liabilities as at 30th September, 2023

S No.	Particulars	Half Year ended - 30 th Sep 2023 (Amount in lac) (Unaudited)	Year Ended - 31 st March 2023 (Amount in lac) (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
(a)	Share capital	1030.17	1030.17
(b)	Reserves and surplus	3830.30	3744.92
(c)	Money received against share warrants	0.00	0.00
	Sub-total - Shareholder's funds	4860.47	4775.09
2	Share application money pending allotment	0.00	0.00
3	Non-current liabilities		
(a)	Long-term borrowings	0.00	0.00
(b)	Deferred tax liabilities (net)	0.00	0.00
(c)	Other long-term liabilities	0.15	0.15
(d)	Long-term provisions	0.00	0.00
	Sub-total - Non-current liabilities	0.15	0.15
4	Current liabilities		
(a)	Short-term borrowings	700.56	393.48
(b)	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	567.11	403.93
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	103.99	140.02
(c)	Other current liabilities	35.70	216.46
(d)	Short-term provisions	31.92	31.57
	Sub-total - Current liabilities	1429.28	1185.46
	Total - Equity and Liabilities	6289.90	5960.70
B	ASSETS		
1	Non-current assets		
(a)	Property, Plant & Equipment		
	(i) Tangible Assets	1322.90	1383.11
	(ii) Intangible Assets	51.35	56.35
	(iii) Capital work-in-progress	13.02	11.21
	(iv) Intangible assets under development	4.97	4.97
(b)	Non-current investments	783.76	4.50
(c)	Deferred tax assets (net)	8.09	7.78
(d)	Long-term loans and advances	1709.87	2096.76
(e)	Other non-current assets	172.27	173.42
	Sub-total - Non-current assets	4066.83	3738.10
2	Current assets		
(a)	Current investments	0.00	0.00
(b)	Inventories	618.05	649.28
(c)	Trade receivables	948.69	904.98
(d)	Cash and cash equivalents	8.53	22.19
(e)	Short-term loans and advances	552.30	646.11
(f)	Other current assets	95.60	0.00
	Sub-total - Current assets	2223.07	2222.60
	Total - Assets	6289.90	5960.70

For, Ushanti Colour Chem Limited

Maunai Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)Date: 11/11/2023
Place: Ahmedabad

Ushanti Colour Chem Limited

CIN: L24231GJ1953PLC019444

Registered Office: 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India

Email Id: maunai@ushanti.com, minku@ushanti.com


Website: www.ushanti.com

Unaudited Standalone Cash Flow Statement for the half year ended on 30th September, 2023

S No.	Particulars	Half Year Ended 30th September, 2023 (Amount in lacs) (Unaudited)	Half Year Ended 30th September, 2022 (Amount in lacs) (Unaudited)
A	Cash Flow from Operating Activities		
	Net profit before taxation:	101.00	24.09
	Adjustment for :		
	Depreciation and amortization:	76.82	84.81
	Amortization of leasehold land	0.00	0.00
	Profit on sale of fixed assets	0.00	0.00
	Sundry balances written off(net)	0.00	0.00
	(Net Gain) / Loss on Foreign Currency Translation	(6.49)	(18.05)
	Bank charges and commission	0.00	32.60
	Waste disposal-reversal income	0.00	0.00
	Sundry balances written back(net)	0.00	0.00
	Profit on sale of investment	0.00	0.00
	Dividend Income	0.00	(2.01)
	Interest Income	(108.41)	(38.42)
	Interest expenses	24.35	0.00
	Operating profit before working capital changes	87.28	83.01
	Adjustment for :		
	Trade receivables	(37.22)	(301.62)
	Long-term and short-term loans & advances	0.00	(245.64)
	Other non-current and current assets, other bank balances	(4.28)	(15.52)
	Trade payables, short-term & long-term provisions, Other current & non-current liabilities	(64.07)	(50.71)
	(Increase) / decrease in inventories	31.22	132.61
	Cash Generated from operations	12.94	(380.87)
	Direct taxes (paid)/refund(net)	(2.82)	0.00
	Net cash from operating activities (A)	10.12	(297.86)
B	Cash flow from investing activities		
	Proceeds from Loans and Advances	484.82	0.00
	Sale / Purchase of Investments	(791.80)	13.38
	Dividend income	0.00	2.01
	Interest Income	13.11	38.42
	Investment in Subsidiary	0.00	0.00
	Purchase of fixed assets	(13.42)	(95.78)
	Proceeds from sale of fixed assets	0.00	0.34
	Net cash used in investing activities (B)	(307.30)	(39.63)
C	Cash flow from financing activities		
	Bank charges and commission	0.00	32.60
	Interest Paid	(23.55)	0.00
	Issue of Equity Shares	0.00	0.00
	Issue of Security Premium	0.00	0.00
	Interim Dividend Paid	0.00	0.00
	Proceeds/(Repayment) of Short-term borrowings(Net)	307.08	367.01
	Proceeds/(Repayment) of Long-term borrowings(Net)	0.00	0.00
	Net cash from financing activities (C)	383.53	334.42

Net increase/(Decrease) in cash and cash equivalents (A+B+C)	(13.66)	(3.09)
Cash and cash equivalents at the beginning of the year	22.19	6.67
Cash and cash equivalents at the end of the year	8.53	3.59
Notes :		
Cash and cash equivalents included in the Cash flow statement comprises:		
Cash on hand	6.57	2.37
Bank balance with scheduled bank	1.96	1.22
	8.53	3.59

For, Ushanti Colour Chem Limited


 Maunshantilal Gandhi
 Joint Managing Director
 (DIN: 00118559)



Date: 11/11/2023
 Place: Ahmedabad

Explanatory notes to the statement of Unaudited Standalone Financial Results for the half year ended 30th September, 2023

1. These results have been in accordance with the AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (as amended). These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on Saturday, November 11, 2023.

2. As required under Regulation 38 of SEBI (LODR) Regulations, 2015, the Statutory Auditor of the Company has issued Limited Review Report on the aforesaid Standalone Unaudited Financial Results for the half year ended 30th September, 2023, which was taken on record by the Audit Committee and Board at their meeting held on Saturday, November 11, 2023.

3. Standalone Statement of Assets and Liabilities and Statement of Cash flows as on 30th September, 2023 are attached.

4. Company has one subsidiary Company named UC Colours and Intermediates Private Limited.


5. IND AS is currently not applicable to the Company.

6. The figures have been regrouped/rearranged whenever necessary.

7. The requirement of AS-17 "Segment Reporting" is not applicable to the Company as it is engaged in single business segment.

8. The results for the half year ended September 30, 2023 are available on the National Stock Exchange of India Limited website (URL: https://www1.nseindia.com/merge/corporates/content/srw_fin_results.htm) and on the Company's website (URL: <https://www.ushanti.com/annualreport.html>).

For, Ushanti Colour Chem Limited


Manul Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



Date: 11/11/2023
Place: Ahmedabad



Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for the half year ended 30th September 2023

**Review Report to
The Board of Directors
Ushanti Colour Chem Ltd
GIDC Phase I,
Vatva, Ahmedabad – 382445**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **USHANTI COLOUR CHEM LIMITED** ("the Company") for the period ended on September 30, 2023 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended. ("the Listing Regulations").
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard 25 "Interim Financial Reporting" ("AS 25") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these financial statements based on our review.
3. We conducted our review of the statements in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable Accounting Standards specified under section 133 of the Companies Act, 2013 read with rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), including relevant circulars issued by the SEBI from time to time including the manner in which it is to be disclosed, or that it contains any material misstatement.

For, DJNV & Co.
Chartered Accountants,
ICAI FRN: 115145W

Shruti C Shah



CA Shruti C Shah
(Partner)
Membership No 175839
UDIN: 23175839BGXUWQ1190

Place: Ahmedabad
Date: 11/11/2023

Ushanti Colour Chem Limited

CIN: L24231GJ1993PLC019444

Registered Office: 88/8, G I D C, Phase I, Vatva, Ahmedabad-382445, Gujarat, India

Email Id: maunai@ushanti.com, minku@ushanti.com

Website: www.ushanti.com

Unaudited Consolidated Statement of Financial Results for the half year ended on 30th September, 2023

S No.	Particulars	Six months ended on	Six months ended on	Preceding Six	Previous year ended
		30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	months ended on 31.03.2023 (Audited)	on 31.03.2023 (Audited)
		01.04.2023 to 30.09.2023	01.04.2022 to 30.09.2022	01.10.2022 to 31.03.2023	01.04.2022 to 31.03.2023
1	Revenue from Operation	2075.34	2700.16	1899.19	4399.35
2	Other income	53.60	32.58	289.34	321.92
3	Total Revenue (1+2)	2126.94	2732.74	2988.53	4721.27
4	Expenses				
	(a) Cost of Materials Consumed	1273.21	1689.19	911.17	2600.36
	(b) Purchase of Stock-in-trade	110.91	96.05	225.30	321.95
	(c) Change in inventories of finished goods, work in progress and stock-in-trade	(126.60)	49.60	(28.22)	21.38
	(d) Employee benefits expenses	183.28	176.98	185.06	362.04
	(e) Finance Costs	83.83	32.76	23.91	56.67
	(f) Depreciation and amortization expense	116.18	85.38	82.37	167.75
	(g) Other expenses	560.78	609.92	489.96	1099.88
	Total Expenses	2201.59	2739.87	1889.56	4629.43
5	Profit before exceptional and extraordinary items and tax (3-4)	(74.65)	(7.13)	98.97	91.84
6	Exceptional Items	0.00	0.00	0.00	0.00
7	Profit before extraordinary items and tax (5- 6)	(74.65)	(7.13)	98.97	91.84
8	Extraordinary items	0.00	0.00	0.00	0.00
9	Profit before tax (7-8)	(74.65)	(7.13)	98.97	91.84
10	Tax expense:				
	(a) Current tax	16.52	0.00	0.00	0.00
	(b) Deferred tax	64.26	(4.51)	(1.66)	(6.17)
	(c) Other tax exp/Adj for earlier year	0.00	0.00	0.03	0.03
11	Profit (Loss) for the period from continuing operation (9-10)	(155.43)	(2.62)	100.60	97.98
12	Profit/ (Loss) from discontinuing operations	0.00	0.00	0.00	0.00
13	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00
14	Profit/ (Loss) from Discontinuing operations (after tax) (12-13)	0.00	(2.62)	100.60	97.98
15	Less: Share in Profit/(Loss) of Minority Interest	(33.61)	0.04	(0.19)	(0.15)
16	Net Profit (Loss) for the period (11+14)	(121.82)	(2.66)	100.79	98.13
17	Earnings Per equity Share				
	a) Basic	(1.48)	(0.04)	2.20	1.19
	b) Diluted	(1.48)	(0.04)	2.20	1.19
18	Paid-up equity share capital (Face Value of the Share shall be Rs. 10/- each)	1030.17	730.17	1030.17	1030.17
19	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				3630.91

For, Ushanti Colour Chem Limited

Maunai Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



Date: 11/11/2023
Place: Ahmedabad

Ushanti Colour Chem Limited

CIN: L24231GJ1993PLC019444

Registered Office: 88/8, G I D C Phase I, Vatva, Ahmedabad-382445, Gujarat, India


Email Id: maunak@ushanti.com, minak@ushanti.com

Website: www.ushanti.com

Unaudited Consolidated Statement of Assets and Liabilities as at 30th September, 2023

S.No.	Particulars	Half Year Ended 30th September 2023 (Amount in lacs) (Unaudited)	Year Ended 31st March 2023 (Amount in lacs) (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
(a)	Share capital	1030.17	1030.17
(b)	Reserves and surplus	9510.24	3630.91
(c)	Money received against share warrants	0.00	0.00
	Sub-total - Shareholder's funds	4540.41	4661.08
2	Share application money pending allotment		
3	Minority Interest	161.72	(0.65)
4	Non-current liabilities		
(a)	Long-term borrowings	2657.83	2885.76
(b)	Deferred tax liabilities (net)	56.85	0.00
(c)	Other long-term liabilities	0.15	0.15
(d)	Long-term provisions	0.00	0.00
	Sub-total - Non-current liabilities	2714.83	2885.91
5	Current liabilities		
(a)	Short-term borrowings	1908.47	1162.33
(b)	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	834.82	538.41
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	123.38	140.03
(c)	Other current liabilities	505.88	601.97
(d)	Short-term provisions	35.27	31.57
	Sub-total - Current liabilities	3405.74	2475.31
	Total - Equity and Liabilities	10822.70	10021.65
B	ASSETS		
1	Non-current assets		
(a)	Property, Plant & Equipment		
	(i) Tangible Assets	6494.95	2176.30
	(ii) Intangible Assets	52.11	57.20
	(iii) Capital work-in-progress	13.02	3615.19
	(iv) Intangible assets under development	4.97	4.97
(b)	Non-current investments	0.00	0.00
(c)	Deferred tax assets (net)	0.00	7.41
(d)	Long-term loans and advances	294.95	313.96
(e)	Other non-current assets	139.27	241.66
	Sub-total - Non-current assets	7099.27	6616.69
2	Current assets		
(a)	Current investments	0.00	0.00
(b)	Inventories	926.60	649.28
(c)	Trade receivables	954.53	1058.17
(d)	Cash and cash equivalents	31.62	96.77
(e)	Short-term loans and advances	1710.60	1600.01
(f)	Other current assets	100.08	0.73
	Sub-total - Current assets	3723.43	3404.96
	Total -Assets	10822.70	10021.65

For, Ushanti Colour Chem Limited


Maunali Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



Date: 11/11/2023
Place: Ahmedabad

Ushanti Colour Chem Limited

CIN: L24231GJ1993PLC019444

Registered Office: 88/8, G I D C, Phase I, Vatva, Ahmedabad-382445, Gujarat, India

Email Id: maunali@ushanti.com, miniku@ushanti.com

Website: www.ushanti.com

Unaudited Consolidated Cash Flow Statement for the half year ended on 30th September, 2023

S.No.	Particulars	Half year Ended 30 th September, 2023 (Amount in lacs) (Unaudited)	Half Year Ended 30 th September, 2022 (Amount in lacs) (Unaudited)
A	Cash Flow from Operating Activities		
	Net profit before taxation:	-74.65	-7.13
	Adjustment for :		
	Depreciation and amortization	116.18	85.38
	Amortization of leasehold land	0.00	0.00
	Profit on sale of fixed assets	0.00	0.00
	Sundry balances written off(net)	0.00	0.00
	Bank charges and commission	0.00	32.76
	Sundry balances written back(net)	0.00	0.00
	Dividend Income	0.00	(2.01)
	Profit/Loss on sale of investment	0.00	0.00
	Waste disposal reversal income	0.00	0.00
	Interest income	(47.11)	(11.89)
	Interest expenses	83.85	0.00
	(Net Gain) / Loss on Foreign Currency Translation	(6.49)	(18.05)
	Other MAT/Tax Adjustment		
	Operating profit before working capital changes	71.77	79.06
	Adjustment for :		
	Trade receivables	130.13	(461.50)
	Long-term and short-term loans & advances	0.00	(148.22)
	Other non-current and current assets; other bank balances	(813.68)	(142.93)
	Trade payables, short-term & long-term provisions, Other current & non-current liabilities	-177.21	138.37
	(increase) / decrease in inventories	(277.33)	224.77
	Cash Generated from operations	(731.91)	(409.52)
	Direct taxes (paid)/refund(net)	(1.91)	0.00
	Net cash from operating activities (A)	(730.00)	-330.47
B	Cash flow from investing activities		
		0.00	0.00
	Sale of investments in mutual fund	0.00	2.01
	Dividend income	47.11	11.89
	Interest income	(497.07)	(1495.35)
	Purchase of fixed assets	680.57	13.38
	Sale / Purchase of Investments	(206.34)	0.00
	Loan and Advances given	0.00	0.00
	Investment in Fixed Deposits	0.00	0.34
	Proceeds from sale of fixed assets		
	Net cash used in investing activities (B)	24.27	(1407.74)
C	Cash flow from financing activities		
		0.00	(32.76)
	Bank charges and commission	(76.74)	0.00
	Interest Paid	0.00	0.00
	Money received against share warrants	0.00	0.00
	Issue of Equity Shares	0.00	0.00
	Issue of Security Premium	197.13	0.00
	Minority Interest Movement		

Interim Dividend paid	0.00	0.00
Proceeds/(Repayment) of Short-term borrowings(Net)	746.14	1765.84
Proceeds/(Repayment) of Long-term borrowings(Net)	(227.94)	0.00
Net cash from financing activities (C)	518.20	1765.84
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	(67.15)	5.13
Cash and cash equivalents at the beginning of the year	96.77	23.44
Cash and cash equivalents at the end of the year	29.62	18.31
Notes :		
Cash and cash equivalents included in the Cash flow statement comprises:		
Cash on hand	7.59	1.71
Bank balance with scheduled bank	22.03	16.60

For, Ushanti Colour Chem Limited.


Maunai Shantini Gandhi
Joint Managing Director
(DIN: 00118559)




Date: 11/11/2023
Place: Ahmedabad

Explanatory notes to the statement of Unaudited Consolidated Financial Result for the half Year ended September 30, 2023

1. These result has been prepared in accordance with the AS prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounting) Rules, 2014 (as amended). This result has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on Saturday, November 11, 2023.
2. As required under Regulation 33 of SEBI (LODR) Regulations, 2015, the Statutory Auditor of the Company has issued Limited Review Report on the aforesaid Unaudited Consolidated Financial Result for the half year ended September 30, 2023, which was taken on record by the Audit Committee and Board at their meeting held on Saturday, November 11, 2023.
3. Consolidated Statement of Assets and Liabilities and Statement of Cash flows as on September 30, 2023 are attached.
4. Company has one subsidiary Company named UC Colours and Intermediates Private Limited.
5. IND AS not currently applicable to the Company.
6. The figures have been regrouped/rearranged whenever necessary.
7. The requirement of AS-17 "Segment Reporting" is not applicable to the Company as it is engaged in single business segment.
8. The result for the half year ended September 30, 2023 are available on the National Stock Exchange of India Limited website (URL: https://www1.nseindia.com/emergs/corporates/content/cme_fin_results.htm) and on the Company's website (URL: <https://www.ushanti.com/annualreport.html>).

For, Ushanti Colour Chem Limited


Maunil Shantilal Gandhi
Joint Managing Director
(DIN: 00118559)



Date: 11/11/2023
Place: Ahmedabad



Independent Auditor's Limited Review Report on Review of Consolidated Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for the half year ended on 30th September 2023

**Review Report to
The Board of Directors
Ushanti Colour Chem Limited**

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of **USHANTI COLOUR CHEM LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the period ended on September 30, 2023 ("the statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the "Listing Regulations").
2. This statement is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard 25 "Interim Financial Reporting" ("AS 25") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these financial statements based on our review.
3. We conducted our review of the statements in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the entity" issued by the Institute of Chartered Accountants of India. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated 29th March, 2019 issued by SEBI under Regulation (33) 8 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following subsidiary:
 - UC Colours and Intermediates Private Limited



5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with recognition and measurement principles laid down in aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial results include the interim financial statements /financial information / financial results of one subsidiary which have been reviewed by us, whose interim financial statements / financial information /financial results reflect total assets of Rs.7007.32 Lakhs as at September 30, 2023 and total revenue of Rs. 9.48 Lakhs, total net profit/(loss) after tax of Rs. (197.56) Lakhs for the period ended September 30, 2023, and cash flows (net) of Rs. (51.49) Lakhs for the period from 01 April 2023 to 30 September 2023, as considered in the consolidated unaudited financial results, which have been reviewed by us and the same has been provided to us by the management and our conclusion on the statement, in so far as it relates to the affairs these subsidiaries, is based solely on such unaudited interim financial statements/ financial information/ financial results.

Our conclusion on the statement is not modified in respect of the above matters.

For, DJNV & Co.
Chartered Accountants,
ICAI FRN: 115145W



CA Shruti C Shah
(Partner)

Membership No 175839

UDIN: 23175839BGXUWP9371



Place: Ahmedabad

Date: 11/11/2023

Ushanti Colour Chem Limited

88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445

31st Standalone Statutory Audit Report

Financial Year 2023-2024

D J N V & Co.
Chartered Accountants
2nd Floor, H.N. House, Opp. Muktjivan Colour Lab,
Stadium Cross Road, Navrangpura,
Ahmedabad, Gujarat - 380009
www.djnv.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
USHANTI COLOUR CHEM LIMITED
Report on the audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **USHANTI COLOUR CHEM LIMITED**, which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed u/s 133 of the Act read with relevant Rules issued thereunder (as amended) and other accounting principles generally accepted in India;

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- In the case of the Statement of Cash Flow, of its Cash Flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the presentation of other information and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the companies act, 2013.



Our opinion on the Standalone Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard. We have nothing to report in this regard.

Management Responsibility for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provision of Act; the accounting and auditing standards and matters which are required to be included in audit report under the provisions of the Act and Rules made there under.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.



2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on an adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements. ;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, we report that:

According to the records of the company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act; and

- h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The company has neither declared nor paid dividend during the year as per Section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**For, DJNV & CO.
Chartered Accountants**



Shruti C Shah

**CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 24175839BKEFQP8625
Firm Reg. No.0115145W**

**Place : Ahmedabad
Date : 29/05/2024**

ANNEXURE-A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements of the Company for the year ended March 31, 2024, we report that:

- (i) In respect of property, plant & equipment (PPE);
 - (a)
 - (A) The company has maintained reasonable records showing full particulars, quantitative details and situation of Property, Plant and Equipment.
 - (B) The company is maintaining proper records showing full particulars of intangible assets;
 - (b) The Company has a program of verification to cover all the items of PPE in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain PPE were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/ registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.
 - (d) Company has not revalued its Property, Plant and equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to information and explanations given to us and result of our audit procedures, in our opinion, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) In respect of Inventories:-
 - (a) In respect of its inventories: The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification, coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2024 and no material discrepancies were noticed in respect of such confirmations.
 - (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of securities of current assets. The discrepancies in quarterly returns or statements filed by the company with the books of accounts, are mentioned in note no 36 of the standalone financial statements.



(iii)

- (a) During the year the company has not made investments. But the company has provided loans or advances in the nature of loans or guarantee to companies, firms, Limited Liability Partnerships and other parties details are as follows:

(Rs. In Lakhs)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate Amount during the year	Rs. 4250 (From 28/02/2022)	-	Rs. 881.27	-
Subsidiary (UC Colours and Intermediaries Private Limited)	Rs. 4250 (From 28/02/2022)	-	Rs. 881.27	-
Others (Directors – Maunal Gandhi and Minku Gandhi)	-	-	Nil	-

	Guarantees	Security	Loans	Advances in nature of loans
Balance outstanding as at balance sheet date	Rs. 4250	-	Rs. 1,962.87	-
Subsidiary (UC Colours and Intermediaries Private Limited)	Rs. 4250	-	Rs. 1666.03	-
Others (Directors – Maunal Gandhi and Minku Gandhi)	-	-	Rs. 296.84	-

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions on which loans have been granted and guarantees provided by the company during the year as per the above point are not prejudicial to the company's interest.
- (c) According to the information and explanations given to us, in respect of loans, payment of interest has been stipulated and receipts are regular.
- (d) According to the information and explanations and based on our audit procedures, there is no overdue amount remains outstanding for more than 90 days as at the year-end.
- (e) None of the loan, granted and has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) Company has granted loans repayable on demand to related parties as defined in clause (76) of section 2 of the Companies Act, 2013;



- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, and providing guarantees.
- (v) According to the information and explanations given to us and based on our audit procedure, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013.
- (vi) The provisions of section 148 (1) of Companies Act, 2013 with regard to maintenance of cost records are not applicable to the Company.
- (vii) In respect of statutory dues:
 - (a) According to the information and explanations given to us, except for income tax no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, sales tax, wealth tax, goods and service tax, custom duty, excise duty, value added tax, cess were in arrears, as at 31st March, 2024 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no material dues of income tax or goods and service tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, there was no transaction found unrecorded in the books of accounts of the company which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)
 - (a) According to the information and explanations and as verified from books of accounts, the company has not defaulted in repayment of loans or interest thereon to any lender. The details of borrowing are as follow:
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to the information and explanations given to us, the company has obtained fresh loans during the year in form of Term loans and funds were utilized for the purpose for which they were obtained.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
 - (f) According to the information and explanations given to us and procedures applied by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary.
- (x)
 - (a) The company has not raised moneys by way of initial public offer or further public offer.



- (b) In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of preferential allotment of convertible equity warrants for the purposes for which they were raised.
- (xi)
- (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.
- (b) To the best of our knowledge and information with us there is no instance of fraud reportable under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As per information and explanation given by management and/or audit committee there were no whistle blower complaints received by the company during the year.
- (xii) In case of Nidhi Company:
- (a) In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (b) Since the company is not Nidhi Company, this clause is also not applicable.
- (c) Since the company is not Nidhi Company, this clause is also not applicable.
- (xiii) According to the information and explanations, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv)
- (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the year under audit.
- (xv) According to the information and explanations given to us, the company has not entered into non-cash transactions with the directors during the year.
- (xvi)
- (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) Company is not a NBFC hence the reporting in this clause is not required.
- (c) Company is Non NBFC. Hence the reporting in this clause is not required.
- (d) This clause is not applicable to the company as it is not CIC
- (xvii) The company has not incurred cash losses in the current financial year and preceding financial year.
- (xviii) There being no resignation of the statutory auditors during the year, this clause is not applicable.



(xix) "According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due."

(xx)

(a) This Clause is not applicable to the company as the provisions of section 135 for CSR are not applicable.

(b) This Clause is not applicable to the company as the provisions of section 135 for CSR are not applicable.

For DJNV & Co.
Chartered Accountants



Shruti C Shah

CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 24175839BKEFQP8625
Firm Reg. No.0115145W

Place : Ahmedabad
Date : 29/05/2024

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **USHANTI COLOUR CHEM LIMITED** as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control



over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, DJNV & Co.
Chartered Accountants**



Shruti C Shah

**CA Shruti C Shah
(Partner)
Membership No. 175839
UDIN: 241758398KEFQP8625
Firm Reg. No.0115145W**

**Place : Ahmedabad
Date : 29/05/2024**

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 88/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Balance Sheet as at 31 March 2024

(₹ in lacs)

Particulars	Note	31 March 2024	31 March 2023
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1,070.17	1,030.17
(b) Reserves and Surplus	4	4,119.04	3,744.92
(c) Money Received against Share Warrants		-	-
Total		5,189.21	4,775.09
(2) Share application money pending allotment			
		-	-
(3) Non-current liabilities			
(a) Long-term Borrowings	5	30.11	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long term Liabilities	6	0.15	0.15
(d) Long-term Provisions		-	-
Total		30.26	0.15
(4) Current liabilities			
(a) Short-term Borrowings	7	545.43	393.48
(b) Trade Payables	8		
- Due to Micro and Small Enterprises		392.80	403.93
- Due to Others		90.41	140.02
(c) Other Current Liabilities	9	104.83	216.46
(d) Short-term Provisions	10	60.07	31.57
Total		1,193.54	1,185.46
Total Equity and Liabilities		6,413.01	5,960.70
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	11	1,316.32	1,383.11
(ii) Intangible Assets	11	47.08	56.35
(iii) Capital Work-in-progress	11	13.02	11.21
(iv) Intangible Assets under Development	11	4.97	4.97
(b) Non-current Investments	12	783.75	4.50
(c) Deferred Tax Assets (net)	13	9.63	7.78
(d) Long-term Loans and Advances	14	1,968.28	2,096.76
(e) Other Non-current Assets	15	174.21	173.42
Total		4,318.27	3,738.10
(2) Current assets			
(a) Current Investments		-	-
(b) Inventories	16	920.29	649.28
(c) Trade Receivables	17	671.14	904.98
(d) Cash and cash equivalents	18	1.59	22.19
(e) Short-term Loans and Advances	19	459.64	646.15
(f) Other Current Assets	20	42.08	-
Total		2,094.74	2,222.60
Total Assets		6,413.01	5,960.70

See accompanying notes to the financial statements

As per our report of even date
For DJNV & Co.
Chartered Accountants
Firm's Registration No. 115145W



CA Shiruti C Shah
Partner
Membership No. 175639
UDIN- 24175839BKEFGP8625
Place: Ahmedabad
Date: 29, May 2024



For and on behalf of the Board
Ushanti Colour Chem Limited


Maunali Gandhi
Director
00118559


Minku Gandhi
Director
00118617


Pradip Parikh
CFO
AIZPP5478J


Vishakha A. Tanwar
CS
40517

Place: Ahmedabad
Date: 29, May 2024

Ushanti Colour Chem Limited
(CIN: L24231GJ1993PLC019444)
(Address: 89/8 G I D C Phase-I Vatva Ahmedabad GJ 382445)
Statement of Profit and loss for the year ended 31 March 2024

(₹ in lacs)

Particulars	Note	31 March 2024	31 March 2023
Revenue from Operations	21	4,258.88	4,297.83
Other Income	22	268.34	384.58
Total Income		4,527.22	4,682.41
Expenses			
Cost of Material Consumed	23	2,608.66	2,800.36
Purchases of Stock in Trade	24	202.55	176.45
Change in Inventories of work in progress and finished goods	25	-119.19	21.38
Employee Benefit Expenses	25	340.39	356.11
Finance Costs	27	57.08	56.67
Depreciation and Amortization Expenses		155.27	167.14
Other Expenses	28	1,095.41	1,099.19
Total expenses		4,340.17	4,479.30
Profit(Loss) before Exceptional and Extraordinary Item and Tax		187.05	173.11
Exceptional Item		-	-
Profit(Loss) before Extraordinary Item and Tax		187.05	173.11
Prior Period Item		-	-
Extraordinary Item		-	-
Profit(Loss) before Tax		187.05	173.11
Tax Expenses			
- Current Tax		53.90	-
- Deferred Tax		-1.85	-6.59
- MAT Credit Entitlement		-	-
- Prior Period Taxes		-	-
- Excess/Short Provision Written back/off		0.67	-
		134.13	179.70
Profit(Loss) for the Period from Continuing Operations			
Profit(loss) from Discontinuing Operation (before tax)		-	-
Tax Expenses of Discontinuing Operation		-	-
Profit(loss) from Discontinuing Operation (after tax)		-	-
		134.13	179.70
Profit(Loss) for the period			
Earnings Per Share (Face Value per Share Rs.10 each)			
-Basic	29	1.28	2.18
-Diluted	29	1.28	2.18

See accompanying notes to the financial statements

As per our report of even date
For DJNV & Co.
Chartered Accountants
Firm's Registration No. 115145W


CA Shruti C Shah
Partner
Membership No. 175939
UDIN: 24175839BKEFQP8625
Place: Ahmedabad
Date: 29, May 2024




Maunil Gandhi
Director
00118559


Minku Gandhi
Director
00118617

For and on behalf of the Board
Ushanti Colour Chem Limited


Pradip Parikh
CFO
AIZPP5478J


Vishakha A. Tanwar
CS
40517

Place: Ahmedabad
Date: 29, May 2024

Ushanti Colour Chem Limited
(CIN: L24231GU1993PLC019444)
(Address: 86/8 G I D C Phase-I Vakra Ahmedabad GJ 382445)
Cash Flow Statement for the year ended 31 March 2024

(₹ in lakh)

Particulars	Note	31 March 2024	31 March 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		187.05	173.08
Depreciation and Amortisation Expenses		155.27	167.54
Provision for tax		-	-
Effect of Exchange Rate Change		-13.07	-20.40
Loss/(Gain) on Sale / Discard of Assets (Net)		-12.51	-251.01
Bad debt, provision for doubtful debts		-	-
Other Tax Adjustment		-	-
Non Cash Expenses		-	-2.01
Dividend Income		-	-
Interest Income		-242.00	-107.40
Finance Costs		57.10	56.87
Operating Profit before working capital changes		132.85	17.90
Adjustment for:			
Inventories		-271.81	150.06
Trade Receivables		246.92	175.26
Other Current Assets		-42.08	7.64
Trade Payables		-80.75	-218.07
Other Current Liabilities		-111.63	43.65
Short-term Provisions		28.90	-0.41
Cash generated from Operations		-79.12	171.23
Tax paid/(net)		54.70	0.30
Net Cash from Operating Activities		-133.89	171.53
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		-89.90	-130.28
Sale of Property, Plant and Equipment		21.60	179.20
Purchase of Investments Property		-	-
Sale of Investment Property		-	-
Purchase of Equity Instruments		-200.00	-
Proceeds from Sale of Equity Instruments		-	15.90
Purchase of Mutual Funds		-	-
Proceeds from Sale / Redemption of Mutual Funds		-	-
Purchase of Preference Shares		-	-
Proceeds from Sale/Redemption of Preference Shares		-	-
Purchase of Government or trust securities		-	-
Proceeds from Sale/Redemption of Government or trust securities		-	-
Purchase of debentures or bonds		-575.26	-
Proceeds from Sale/Redemption of debentures or bonds		-	-
Purchase of Other Investments		-	-
Sale / Redemption of Other Investments		-	-
Loans and Advances given		-	-1,823.00
Proceeds from Loans and Advances		313.98	-
Investment in Term Deposits		-	50.46
Maturity of Term Deposits		-0.78	-
Interest received		242.99	107.40
Dividend received		-	2.01
Net Cash (Used in) Investing Activities		-251.41	-1,100.83
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Share Capital		200.00	1,268.13
Buyback of Shares		-	-
Proceeds from Long Term Borrowings		30.11	-
Repayment of Long Term Borrowings		-	-
Proceeds from Short Term Borrowings		151.95	-
Repayment of Short Term Borrowings		-	-271.70
Minority Interest Movement		-	-
Dividends Paid (including Dividend Distribution Tax)		-	-
Interest Paid		-57.10	-70.86
Net Cash (Used in) / Generated from Financing Activities		404.90	945.43
Net (Decrease) in Cash and Cash Equivalents		20.99	15.32
Opening Balance of Cash and Cash Equivalents		22.19	6.67
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
Closing Balance of Cash and Cash Equivalents	15	1.59	22.19

Note:

The above Cash Flow Statement has been prepared under the Indirect Method, as set out in the Accounting Standard 3(SAS 3), "Cash Flow Statements".

See accompanying notes to the financial statements

As per our report of even date
For DNV & Co.
Chartered Accountants
Firm's Registration No. 115145W


CA Shrus C Shah
Partner
Membership No. 179619
LDIN: 24175809/MEPOP9825
Place: Ahmedabad
Date: 29, May 2024




Manoj Gandhi
Director
00118559


Niraja Gandhi
Director
00118617


Pradip Porik
CFO
A2PP542LJ

For and on behalf of the Board
Ushanti Colour Chem Limited


Vinita A. Tarwar
C1
40517

Place: Ahmedabad
Date: 29, May 2024

1 COMPANY INFORMATION

Ushant Colour Chem Limited (the Company) is engaged in the business of Manufacturing of Dyestuffs, Pigments and Intermediates. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE). The registered office of the company is located at 68/67/8 Phase I GIDC, Vatva, Ahmedabad-382445. The Company caters to both domestic and international markets.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014.

2.2 Use of estimates

The preparation of financial statements requires estimates and assumptions which affect the reporting amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

2.3 Property, Plant and Equipment

(a) Measurement

(i) Land

Land is initially recognized at cost.

(ii) Factory Building and other property, plant and equipment

Factory building and all other items of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation and Amortization

(i) Leasehold Land

Premium paid on leasehold land is amortized over the period of lease.

(ii) Other Tangible Assets

Depreciation on property, plant and equipment is calculated using the written down method to allocate their depreciable amounts over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in profit or loss when the changes arise.

(iii) Intangible Assets

Computer Software is amortized over the period of 5 years as estimated by the Company.

Waste Disposal Rights are amortized over the useful life of 10 years as estimated by the Company.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in the Statement of Profit or Loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in the Statement of Profit or Loss.

2.4 Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis. (Batch wise)

2.5 Revenue Recognition

(i) Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stand transfer to the customers. Sales are booked net of sales return and exclusive of GST.

(ii) Export incentives and interest income are accounted for on accrual basis.

(iii) Dividend income is recognized when the right to receive the dividend is established.



2.6 Purchase and Expenses

(i) Purchases are shown exclusive of taxes /duties wherever input tax credit is taken and net of Trade Discounts availed from suppliers and purchase return.

(ii) Major items of the expenses are accounted on time / pro-rata basis and necessary provisions for the same are made.

2.7 Employee Benefits

Short-term employee benefits are recognized as expenses in the Statement of Profit and Loss of the period/year in which the related service is rendered at the undiscounted amount as and when it accrues.

Long term employee benefits and post employment benefits both funded and non funded are recognized as expenses in the Statement of Profit and Loss of the period/year in which the related service is rendered based on actuarial valuation done by LIC.

2.8 Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

2.10 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

2.11 Foreign Currency Transactions

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.

(ii) Monetary items denominated in foreign currencies at the period/year-end are restated at period/year-end rates.

(iii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

(iv) Premium or discount on forward contracts for hedging foreign currency transactions are amortized and recognized in the statement of profit and loss over the period of the contract.

2.12 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and quoted/fair value determined on category/item wise. Long Term Investments are stated at cost. However, Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

2.13 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

2.14 Government Grants

Grants and subsidy from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is netted off from the respective expenses necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grants or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

2.15 Leases

The company's significant leasing arrangements are in respect of operating leases for factory. The leasing arrangements are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in Statement of Profit & Loss.



(₹ in lacs)

Particulars	31 March 2024		31 March 2023	
	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
Share Capital				
Authorised Share Capital Equity Shares, Rs. 10 per value, 15000000 (Previous Year -15000000) Equity Shares		1,500.00		1,500.00
Issued, Subscribed and Fully Paid up Share Capital Equity Shares, Rs. 10 per value 10701700 (Previous Year-10001700) Equity Shares, paid up		1,070.17		1,030.17
Total		1,070.17		1,030.17

(i) Reconciliation of number of shares

Particulars	31 March 2024		31 March 2023	
	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
Equity Shares				
Opening Balance	1,03,01,700	1,030.17	73,01,700	730.17
Issued during the year	4,00,000	40.00	30,00,000	300.00
Deletion during the year	-	-	-	-
Closing balance	1,07,01,700	1,070.17	1,03,01,700	1,030.17

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	31 March 2024		31 March 2023	
	No. of shares	In %	No. of shares	In %
Name of Shareholder				
Mr. Shantil B. Gandhi	17,12,247	16.00%	17,12,247	16.62%
Mr. Minkubhai S. Gandhi	13,73,427	12.80%	13,73,427	13.33%
Mr. Maunil S. Gandhi	13,69,416	12.80%	13,69,416	13.29%

(iv) Shares held by Promoters at the end of the year 31 March 2024

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Mr. Maunil S. Gandhi	Equity	13,69,416	12.80%	0.00%
Mr. Minkubhai S. Gandhi	Equity	13,73,427	12.83%	0.00%

Shares held by Promoters at the end of the year 31 March 2023

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Mr. Maunil S. Gandhi	Equity	13,69,416	13.29%	0.00%
Mr. Minkubhai S. Gandhi	Equity	13,73,427	13.33%	0.00%

4. Reserves and Surplus

(₹ in lacs)

Particulars	31 March 2024		31 March 2023	
	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
Capital Reserve				
Opening Balance		1.00		1.00
Closing Balance		1.00		1.00
Securities Premium				
Opening Balance		2,385.77		968.27
(Add)/Less: Adjustment		-240.00		-1,417.50
Closing Balance		2,145.77		2,385.77
Statement of Profit and Loss				
Balance at the beginning of the year		1,358.15		1,178.46
Add: Profit during the year		134.13		179.66
Balance at the end of the year		1,492.28		1,358.15
Total		4,119.54		3,744.91



6 Long term borrowings

(₹ in lac)

Particulars	31 March 2024	31 March 2023
Secured Term loans from banks	30.11	-
Total	30.11	-

Particulars of Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No of Installment
The Katipur Comm. Co. Op. Bank Ltd.	Car/Vehicle	8.1	36,370	60

The above Car Loan is taken against Principal security of Hyundai Alcazar car for which Loan facility is availed. Rate of interest 8.10 % with EMI of Rs. 38,370/-
Company is not declared wifut defaulter by any bank or Financial Institutions or other Lenders.

6 Other Long term liabilities

(₹ in lac)

Particulars	31 March 2024	31 March 2023
Others		
-Deposits (Payable)	0.15	0.15
Total	0.15	0.15

7 Short term borrowings

(₹ in lac)

Particulars	31 March 2024	31 March 2023
Current maturities of long-term debt	0.49	-
Secured Loans repayable on demand from banks		
-Forward Contract Payable	0.28	0.33
-Working Capital facilities	400.11	154.73
Unsecured Loans and advances from related parties	108.55	238.42
Total	519.43	393.48

(Loans repayable on demand from banks:

(a) Cash credit facility is secured against trade receivables of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company and Third parties. It carries interest @ 9% p.a. as on 26/06/2020, 8.5% p.a. as on 10/07/2020 and 9.65% p.a. as on 28/02/2022.

(b) Working capital facility is primarily secured against inventories, trade (export) receivables and collateral security of plant and equipments, and factory shed of the Company. Further, it has been personally guaranteed by Directors and Promoter of the company. It is repayable on demand and carries interest @ 9% p.a. as on 26/06/2020, 8.5% p.a. as on 10/07/2020 and 9.65% p.a. as on 28/02/2022.

(c) Loans and advances from Directors and Related Parties :

Unsecured loans from directors and related parties are taken and maintained during the year pursuant to the stipulation mentioned by the banks for loans facilities availed from them and are repayable on demand and carries interest @ 9% p.a (P.Y. 9% p.a.)

8 Trade payables

(₹ in lac)

Particulars	31 March 2024	31 March 2023
Due to Micro and Small Enterprises	392.80	403.93
Due to others	90.41	140.02
Total	483.21	543.95

8.1 Trade Payable ageing schedule as at 31 March 2024

(₹ in lac)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	385.20	5.89	1.64	0.10	392.80
Others	86.27	0.10		0.08	86.45
Disputed dues- MSME					-
Disputed dues- Others				3.96	3.96
Sub total					483.21
MSME - Undue					-
Others - Undue					-
Total					483.21



8.2 Trade Payable aging schedule as at 31 March 2023

(R in '000)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	403.93	-	-	-	403.93
Others	136.07	-	-	-	136.07
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	3.96	-	-	3.96
Sub total					543.96
MSME - Undue					-
Others - Undue					-
Total					543.96

9 Other current liabilities

(R in '000)

Particulars	31 March 2024	31 March 2023
Interest accrued and due on borrowings	2.31	6.29
Income received in advance	0.01	-
Other payables		
- Creditor For Capital Good	0.66	-
- Creditor For Expense	95.82	92.20
- Other Statutory Liabilities	5.03	117.97
Total	104.83	216.46

10 Short term provisions

(R in '000)

Particulars	31 March 2024	31 March 2023
Provision for employee benefits		
Others	30.66	30.66
- Provision for Income Tax (Net)	30.31	-
- Provision for Tax Earlier Years	-	0.35
Total	30.67	31.01



Property, Plant and Equipment

Name of Assets	2022 Budget			2022 Actual and Approved 2023				2023 Budget		2023 Actual	
	2022 Budget	Actual	Reserve	2022 Actual	2022 Actual	2023 Approved	2023 Actual	2023 Budget	2023 Actual	2023 Budget	2023 Actual
(i) Non-current Plant and Equipment											
Medical Equip	142			142					142		142
Computer Equip - Other	884.40			884.40	88.40	8.84	88.40	88.40	88.40	88.40	88.40
Office Building	14.36			14.36	14.36	1.44	14.36	14.36	14.36	14.36	14.36
Vehicle Building	273.54			273.54	89.89	8.99	89.89	89.89	89.89	89.89	89.89
Medical Equipments	1,217.30	10.31		1,227.61	134.34	13.43	134.34	134.34	134.34	134.34	134.34
Medical X-ray Equip	140.87			140.87	140.87	14.09	140.87	140.87	140.87	140.87	140.87
Furniture & Fixtures	71.89			71.89	36.28	3.63	36.28	36.28	36.28	36.28	36.28
Medical Equip	140.87	44.58	28.33	185.45	139.54	13.95	139.54	139.54	139.54	139.54	139.54
Office Equipments	43.17	0.20		43.37	43.37	4.34	43.37	43.37	43.37	43.37	43.37
Other Things	43.17	0.20		43.37	43.37	4.34	43.37	43.37	43.37	43.37	43.37
Computer	14.14			14.14	14.14	1.41	14.14	14.14	14.14	14.14	14.14
Total	2,072.92	55.11	28.33	2,156.36	1,330.22	136.41	1,330.22	1,330.22	1,330.22	1,330.22	1,330.22
Reserve Fund	1,142.58	155.95	90.88	1,389.41	1,230.73	123.07	1,230.73	1,230.73	1,230.73	1,230.73	1,230.73

(ii) Intangible Assets											
Computer Software	10.00	0.00		10.00	1.10	0.11	1.10	1.10	1.10	1.10	1.10
Other Intangible Assets	149.88			149.88	14.99	1.50	14.99	14.99	14.99	14.99	14.99
Total	159.88	0.00		159.88	16.09	1.61	16.09	16.09	16.09	16.09	16.09
Reserve Fund	149.88	0.00		149.88	14.99	1.50	14.99	14.99	14.99	14.99	14.99

(iii) Capital Work-in-progress											
(iv) Intangible Assets under Construction											

*Excludes any item in the name of Director of the Institute.
 There is no physical asset acquisition in 2022 or 2023 as per approved by OAGP (2022).
 There is no intangible asset under construction in 2022 and 2023 as per approved by OAGP (2022).

(v) Capital Work-in-progress	31 March 2022	31 March 2023
Construction		
Working Capital	11.22	11.22
Any Assets during the year	1.82	1.82
Less: Depreciation during the year		
Working Balance	13.04	13.04

Capital Work-in-progress	Amount in Euro* (in a period of)					31 March 2023	Amount in Euro* (in a period of)			31 March 2023
	Less than 1 year	1-4 Years	5-9 Years	More than 10 years	Total		Less than 1 year	1-4 Years	5-9 Years	
Amount in progress		1.82	0.00	10.00	11.82	11.82		0.00	11.82	11.82
Capital Work-in-progress (accumulated)										



To be completed by 31 March 2022						To be completed				
Project Name/Project	Year Completion					Project Status	Year Completion			
	Project Status	Less than 1 year	1-2 Years	3-5 Years	More than 5 Years		Less than 1 year	1-2 Years	3-5 Years	More than 5 Years
Project 1										
Project 2										
Project 3										

To be completed by 31 March 2022		To be completed	
Project Name	2021-22	2022-23	Total
Project 1			
Project 2			
Project 3			

To be completed by 31 March 2022						To be completed				
Project Name/Project	Year Completion					Project Status	Year Completion			
	Project Status	Less than 1 year	1-2 Years	3-5 Years	More than 5 Years		Less than 1 year	1-2 Years	3-5 Years	More than 5 Years
Project 1										
Project 2										
Project 3										



(₹ in lacs)		
Particulars	31 March 2024	31 March 2023
Unquoted Trade Investments in Equity Instruments	204.50	4.50
Unquoted Trade Investments in debentures or bonds	579.25	-
Total	783.75	4.50

(₹ in lacs)				
Name of Entity	No of Shares/Debt	31 March 2024	No of Shares	31 March 2023
Trade Investment				
U.C Colours and Intermediates Private Limited, Unquoted Equity Shares of Rs. 10 each fully paid up	2,04,500	204.50	45,000	4.50
Variable Coupon Convertible Debentures of Rs. 100	5,79,250	579.25		

(₹ in lacs)		
Particulars	31 March 2024	31 March 2023
Deferred tax asset	9.53	7.78
Total	9.53	7.78

(₹ in lacs)		
Particulars	31 March 2024	31 March 2023
Deferred Tax Asset	9.53	7.78
Property, Plant and Equipment and Intangible Assets	9.53	7.78
Gross Deferred Tax Asset (A)		
Deferred Tax Liability	-	-
Gross Deferred Tax Liability (B)		
Net Deferred Tax Asset (A)-(B)	9.53	7.78

(₹ in lacs)		
Particulars	31 March 2024	31 March 2023
Property, Plant and Equipment and Intangible Assets	-1.85	-5.59
Total	-1.85	-5.59

(₹ in lacs)		
Particulars	31 March 2024	31 March 2023
Capital Advances	0.31	0.31
Loans and advances to related parties		
-Advance to Director	296.84	307.61
-Advance to subsidiary	1,886.00	883.28
Other loans and advances (Unsecured, considered good)		
-Balances with Statutory / Govt. Authorities (long term)	5.00	5.00
-Other Advances - Long Term	1.13	1.13
-Receivable for Land	-	919.53
Total	1,969.28	2,096.76

(i) Loans and Advances to subsidiary:

Loans and Advances provided to subsidiary U.C Colours and Intermediates Private Limited is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. 9.25% p.a.)

(ii) Loans and Advances to directors:

Loans and Advances provided to directors is given and maintained during the year are repayable on demand and carries interest @ 9.25% p.a (P.Y. 9.25% p.a.)



16 Other non current assets

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Security Deposits	174.21	173.42
Total	174.21	173.42

16 Inventories

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Raw materials	444.25	292.00
Finished goods	473.15	353.96
Packing Material	2.89	2.72
Total	920.29	648.28

17 Trade receivables

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Unsecured considered good	671.14	904.98
Total	671.14	904.98

17.1 Trade Receivables ageing schedule as at 31 March 2024

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	628.41	26.46	16.27			671.14
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables- considered good						-
Disputed Trade Receivables- considered doubtful						-
Sub total						671.14
Undue - considered good						671.14
Total						671.14

17.2 Trade Receivables ageing schedule as at 31 March 2023

(₹ in lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	325.62	69.91	-	-	-	395.53
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables- considered good	-	-	-	-	-	-
Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Sub total						395.53
Undue - considered good						395.53
Undue - considered doubtful						509.45
Provision for doubtful debts						-
Total						904.98



(₹ in lacs)		
18 Cash and cash equivalents	31 March 2024	31 March 2023
Particulars		
Cash on hand	1.58	5.18
Balances with banks in current accounts	0.01	0.18
Others	-	16.83
-CC with debit balance	-	-
Total	1.59	22.19

(₹ in lacs)		
19 Short term loans and advances	31 March 2024	31 March 2023
Particulars		
Advance Income Tax (Net of provision for taxes)	18.14	64.12
Other loans and advances (Unsecured, considered good)	0.88	2.11
-Advance to suppliers	106.50	5.41
-Balances with Statutory / Govt. Authorities	0.58	0.90
-Forward Contract Receivable	3.84	3.49
-Loans to Employees	2.36	1.59
-Other advances	308.24	556.86
-Other Short Term Loans and Advances	21.14	11.67
-Prepaid Expenses	-	-
Total	459.64	645.15

(₹ in lacs)		
20 Other current assets	31 March 2024	31 March 2023
Particulars		
Interest accrued but not due	42.08	-
Total	42.08	-

(₹ in lacs)		
21 Revenue from operations	31 March 2024	31 March 2023
Particulars		
Sale of products	4,212.81	4,228.22
-Sale of products (Finished & Traded, Gross)	0.80	2.00
-Scrap Sales	-	-
Other operating revenues	16.00	11.05
-Consultancy Income	20.09	-
-Duty Draw Back Income	9.17	26.56
-Export incentives	0.01	-
-Miscellaneous Income	-	-
Total	4,258.88	4,267.83

(₹ in lacs)		
22 Other Income	31 March 2024	31 March 2023
Particulars		
Interest Income	-	0.07
- On Bank Deposits	242.96	107.33
- Others	-	2.01
Dividend Income	-	-
Others	12.87	23.60
-Foreign Exchange Gain (net)	-	0.56
-Premium on Forward Contract	12.51	-
-Profit on Sale of Car	-	-
-Profit on sale of Land	-	251.01
Total	265.36	384.58



(₹ in lacs)

23 Cost of Material Consumed		
Particulars	31 March 2024	31 March 2023
Raw Material Consumed		
Opening stock	292.60	420.78
Purchases	2,760.31	2,472.19
Less: Closing stock	444.25	292.60
Total	2,608.66	2,600.36
Total	2,608.66	2,600.36

(₹ in lacs)

24 Purchases of stock in trade		
Particulars	31 March 2024	31 March 2023
Alpha Pigment Dyes	80.78	44.77
Direct Dyes	110.10	127.13
Reactive Dyes	16.17	4.55
Solvent Dyes	1.50	-
Total	207.55	176.45

(₹ in lacs)

25 Change in Inventories of work in progress and finished goods		
Particulars	31 March 2024	31 March 2023
Opening Inventories		
Finished Goods	353.96	375.04
Less: Closing Inventories		
Finished Goods	473.15	353.96
Total	-119.19	21.08

(₹ in lacs)

26 Employee benefit expenses		
Particulars	31 March 2024	31 March 2023
Salaries and wages		
-Director's Remuneration	149.50	141.14
-Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI	190.12	205.98
Contribution to provident and other funds		
-Gratuity Fund Contribution	0.48	11.62
-Others	0.01	-
Staff welfare expenses	0.28	0.27
Total	340.39	358.11

(₹ in lacs)

27 Finance costs		
Particulars	31 March 2024	31 March 2023
Interest expense		
-Bank Charges and Commission	-	0.11
-Interest paid to Banks and Financial Institutions	37.95	29.89
-Other Interest Paid	12.86	21.57
Other borrowing costs		
-Bank Charges and Commission	5.47	5.10
Total	57.08	56.67

Note

- The Company has availed interest subvention of Rs. 6,08,174/- during the period (P.Y: Rs. 6,08,174/-) from bank on working capital facility which has been reduced from interest expenses.
- Interest to MSME is not provided as per the explanation provided by the management after confirmation letters from the parties that the payment made is within due date.



28 Other expenses

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Auditors' Remuneration	2.70	2.70
Commission	1.99	3.62
Insurance	20.05	18.38
Rent	6.70	6.70
Repairs to buildings	5.04	7.29
Repairs to machinery	48.59	53.87
Total continued	87.87	94.66

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Total continued from previous page	87.87	94.66
Rates and taxes	1.71	1.53
Selling & Distribution Expenses	9.67	6.98
-Other Sales and Distribution Expenses	12.18	6.74
-Sales Promotion and Advertisement	27.03	12.75
Travelling Expenses		
Miscellaneous expenses	0.07	0.01
-Interest on TDS	4.03	5.08
-Others	0.17	0.11
Import Expense	5.93	7.08
Laboratory Expenses	70.86	58.50
Labour and processing charges	12.59	12.76
Legal and Professional Fees	5.82	7.07
Office Maintenance	11.30	6.48
Packing Material Consumed	107.18	114.33
Pollution Control Expenses	687.48	703.63
Power, Fuel and Water	0.08	-
Premium on Forward Contract	0.46	0.44
Safety Expenses	8.08	7.58
Security Expense	25.79	37.64
Shipping Expenses	0.08	8.37
Stationary, Printing and Other Office Expenses	2.82	2.18
Telephone and Communication	5.11	4.25
Vehicle Running and Maintenance		
Total	1,026.41	1,099.12



28 Other expenses

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Auditors' Remuneration	2.70	2.70
Commission	1.99	3.62
Insurance	20.05	18.38
Rent	6.70	8.70
Repairs to buildings	5.04	7.39
Repairs to machinery	48.09	53.87
Total continued	87.07	94.66

(₹ in lacs)

Particulars	31 March 2024	31 March 2023
Other expenses		
Total continued from previous page	87.07	94.66
Rates and taxes	1.71	1.53
Selling & Distribution Expenses	9.67	6.98
-Other Sales and Distribution Expenses	12.18	5.74
-Sales Promotion and Advertisement	27.03	12.75
Travelling Expenses		
Miscellaneous expenses	0.07	0.01
-Interest on TDS	4.03	5.08
-Others	0.17	0.11
Import Expense	5.93	7.08
Laboratory Expenses	70.56	58.58
Labour and processing charges	12.59	12.70
Legal and Professional Fees	5.82	7.07
Office Maintenance	11.30	8.48
Packing Material Consumed	107.19	114.33
Pollution Control Expenses	687.48	703.63
Power, Fuel and Water	0.00	-
Premium on Forward Contract	0.46	0.44
Safety Expenses	0.09	7.58
Security Expense	25.79	37.64
Shipping Expenses	9.58	8.37
Stationery, Printing and Other Office Expenses	2.82	2.18
Telephone and Communication	5.11	4.25
Vehicle Running and Maintenance		
Total	1,095.41	1,099.13



29. Earnings per share

Particulars	31 March 2024	31 March 2023
Profit attributable to equity shareholders (₹ in lakh)	124.13	179.68
Weighted average number of Equity Shares	1,24,96,296	82,15,338
Earnings per share basic (₹)	1.28	2.18
Earnings per share diluted (₹)	1.28	2.18
Face value per equity share (₹)	10	10

30. Auditors' Remuneration

Particulars	31 March 2024	31 March 2023
Payments to auditor as:-		
- Auditor	2.50	2.50
- for other services	6.20	6.20
Total	8.70	8.70

31. Contingent Liabilities and Commitments

Particulars	31 March 2024	31 March 2023
Claims against the Company not acknowledged as asset		
Corporate Guarantees given to Subsidiary Company Financial Facilities (UC Colour and Intermediates Pvt Ltd)	4,290.00	4,258.80
Total	4,290.00	4,258.80

32. Earnings in Foreign Currencies

Particulars	31 March 2024	31 March 2023
Export of Goods calculated on FOB basis	1,157.27	1,128.75
Total	1,157.27	1,128.75

33. Expenditure made in Foreign Currencies

Particulars	31 March 2024	31 March 2023
Other Matters	6.90	0.00
Commission	0.74	2.29
Traveling	90.60	9.41
Total	98.24	11.70

34. Related Party Disclosure

(i) List of Related Parties

Mr. S. Ganesh
 Mr. S. Ganesh
 CS Anil Sarwan
 CS Anshu Jyoti Shah
 CFO Prady B Parth
 Ajay Mahesh Ganesh
 Mr. Anshu Ganesh
 Mr. Anshu M. Ganesh
 Shantaram B. Ganesh
 Mr. Anshu M. Ganesh
 Ajay M. Ganesh
 Anshu M. Ganesh
 HMT Industries
 UC Colour and Intermediates Pvt Ltd.
 CS Vekalika A. Tarver



Related Party Transactions

Particulars	Relationship	31 March 2024	31 March 2023
Liens Accepted			493.05
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	18.21	
- Mansel S. Gandhi	Key Managerial Personnel (KMP)	18.00	45.00
- Arjun Mansel Gandhi	Key Managerial Personnel (KMP)	8.19	0.00
- Ansh M. Gandhi	Relative of Key Managerial Personnel	-	-
Liens Repaid			438.51
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	99.82	101.57
- Mansel S. Gandhi	Key Managerial Personnel (KMP)	56.11	10.41
- Arjun Mansel Gandhi	Key Managerial Personnel (KMP)	27.03	0.00
- Shantosh B. Gandhi	Relative of Key Managerial Personnel	-	0.10
- Ansh M. Gandhi	Relative of Key Managerial Personnel	-	-
Directors Remuneration			87.20
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	47.20	87.20
- Mansel S. Gandhi	Key Managerial Personnel (KMP)	14.00	7.45
- Arjun Mansel Gandhi	Key Managerial Personnel (KMP)	-	-
Salary			0.51
- CFO Prady B Parthi	Key Managerial Personnel (KMP)	7.00	1.04
- Heli Akash Gupta	Key Managerial Personnel (KMP)	-	13.44
- Smt. Shalini K. Gandhi	Relative of Key Managerial Personnel	13.44	24.00
- Shantosh B. Gandhi	Relative of Key Managerial Personnel	-	13.44
- Smt. Mira M. Gandhi	Relative of Key Managerial Personnel	14.00	7.48
- Ansh M. Gandhi	Relative of Key Managerial Personnel	3.01	2.02
- CS Anjal Samant	Key Managerial Personnel (KMP)	0.43	-
- CS Vinodh A. Tarve	Key Managerial Personnel (KMP)	-	-
Other Interest Paid			0.74
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	0.48	0.00
- Mansel S. Gandhi	Key Managerial Personnel (KMP)	3.75	3.58
- Arjun Mansel Gandhi	Key Managerial Personnel (KMP)	1.33	0.01
- Shantosh B. Gandhi	Relative of Key Managerial Personnel	-	0.21
- Ansh M. Gandhi	Relative of Key Managerial Personnel	-	-
Rent Expense			0.70
- HUF Industries	Company in which Mitesh of KMP is interested as member	0.70	0.70
Liens Given			0.00
- CFO Prady B Parthi	Key Managerial Personnel (KMP)	-	302.94
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	891.21	0.42
- CS Anjal Samant	Key Managerial Personnel (KMP)	-	100.00
- Mansel S. Gandhi	Key Managerial Personnel (KMP)	-	150.00
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	-	-
Bank Deposit Given			-

Continued in next page

Related Party Transactions

Particulars	Relationship	31 March 2023	31 March 2022
Continued from previous page			
- HUF Industries	Company in which Mitesh of KMP is interested as member	-	7
Consolidated Income			11.85
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	96.08	-
Interest Income			63.47
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	116.78	1.78
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	15.28	3.78
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	15.28	-
Loan received back			30.95
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	183.62	0.35
- CFO Prady B Parthi	Key Managerial Personnel (KMP)	0.21	-
- Mitesh S. Gandhi	Key Managerial Personnel (KMP)	5.34	-
- Mansel S. Gandhi	Key Managerial Personnel (KMP)	5.34	-
- CS Anjal Samant	Key Managerial Personnel (KMP)	0.00	-
Sale of Land			779.28
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	-	779.28
Sale of products (Finished & Treated, dried)			11.48
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	154.78	11.48
Purchase of Products			-
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	182.28	-
Interest Income from VCCDs			-
- UC Colours and Intermediates Pvt Ltd	Subsidiary Company	48.54	-
		-	-
		-	-
		-	-



26 Related Party Balances (R in lakhs)

Particulars	Relationship	31 March 2024		31 March 2023	
		Amount	% of Total	Amount	% of Total
Due from Loans and advances from related parties					
Shri. S. Ganesh	Key Managerial Personnel (KMP)	62.71		132.94	
Manoj S. Ganesh	Key Managerial Personnel (KMP)	56.62		71.86	
Arjun Manoj Ganesh	Key Managerial Personnel (KMP)	8.42		40.00	
Shrithika S. Ganesh	Relative of Key Managerial Personnel	-		-	
Sadh M. Ganesh	Relative of Key Managerial Personnel	-		-	
Provision for employee benefits					
Shri. S. Ganesh	Key Managerial Personnel (KMP)	2.70		3.97	
Manoj S. Ganesh	Key Managerial Personnel (KMP)	2.70		3.97	
(PFD) Prady B Parth	Key Managerial Personnel (KMP)	0.55		0.71	
Arjun Manoj Ganesh	Key Managerial Personnel (KMP)	0.86		0.46	
Arif Akash Jagan	Key Managerial Personnel (KMP)	-		-	
Dr. Pradeep M. Ganesh	Relative of Key Managerial Personnel	0.72		0.80	
Shrithika S. Ganesh	Relative of Key Managerial Personnel	-		1.93	
Shri. Thiru S. Ganesh	Relative of Key Managerial Personnel	0.72		1.90	
Sadh M. Ganesh	Relative of Key Managerial Personnel	0.86		2.46	
Loans to Employees					
(PFD) Prady B Parth	Key Managerial Personnel (KMP)	1.14		1.20	

27 Related Party Balances (R in lakhs)

Particulars	Relationship	31 March 2024		31 March 2023	
		Amount	% of Total	Amount	% of Total
Due from related parties					
U.C. Colours	Key Managerial Personnel (KMP)	-		9.38	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	1,808.30		661.25	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	1.72		26.82	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	394.95		4.50	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	50.00		50.00	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	-		819.51	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	148.42		153.78	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	148.42		153.78	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	8.25		-	
U.C. Colours and intermediaries Pvt. Ltd.	Subsidiary Company	579.26		-	

28 Loans and Advances given to Related Parties (R in lakhs)

Type of Borrower	31 March 2024		31 March 2023	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Principal	296.84	15.12%	307.51	26.57%
Accrued	1,365.02	64.88%	963.79	73.73%
Total	1,661.86	100.00%	1,271.30	100.00%

Loans and Advances provided to subsidiary U.C. Colours and Intermediaries Private Limited are given and maintained during the year are repayable on demand and carries interest @ 8.25% p.a. (P.T. 8.25% p.a.).
 Loans and Advances provided to director & Relatives are given and maintained during the year are repayable on demand and carries interest @ 8.25% p.a. (P.T. 8.25% p.a.).



38 Sundry of Current Assets Against Borrowings					
Particulars	June, 2023	September, 2023	December, 2023	March, 2024	
Inventory as per Quarterly Return filed with Bank	508,11081	885,43807	787,88794		1088,28107
Add	0	0	0	0	0
Valuation Difference	0	0	0	0	0
Difference due to Physical verification	0	0	0	0	0
Purchase Bill accounted later	0	0	0	0	0
Others 1	4,78188	20,01178	-3,245748		17,02888
Others 2	0	0	0	0	0
Less	0	0	0	0	0
Valuation Difference	0	0	0	0	0
Difference due to Physical verification	0	0	0	0	0
Sale Bill accounted later	0	0	0	0	0
By mistake not added	0	0	0	0	0
Purchase Bill accounted later	0	0	0	0	0
Expense entry booked in purchase	0	0	0	0	0
Inventory as per Books of Account	502,8927	885,43807	784,642194		1088,09719
Reason for Material Discrepancies	Due to change in Price Rate	Challan Received after statement	Due to correction in April 2024	Purchase Bill & Challan Received after statement Submitted.	
Particulars	June, 2023	September, 2023	December, 2023	March, 2024	
Trade Receivable as per Quarterly Return filed with Bank	1884,58783	184,20715	-1853,10776		1818,81874
Add	0	0	0	0	0
Valuation Difference	0	0	0	0	0
Difference due to Physical verification	0	0	0	0	0
Purchase Bill accounted later	0	0	0	0	0
Others 1 (due to post dated cheques pending in current month)	0	0	0	0	0
Others 2 (as payment advice not received to firm and also some party account)	0	0	0	0	0
Less	0	0	0	0	0
Valuation Difference	0	0	0	0	0
Difference due to Physical verification	0	0	0	0	0
Sale Bill accounted later	0	0	0	0	0
Others 1 (due to bank receipt entry done later)	0	0	0	0	0
Others 2	1880,5872	184,20715	200,58218		1818,11128
Trade Receivable as per Books of Account	1880,5872	184,20715	1825,74897		1818,11114
Reason for Material Discrepancies					
Particulars	June, 2023	September, 2023	December, 2023	March, 2024	
Trade Payable as per Quarterly Return filed with Bank	424,88816	345,88981	887,88983		420,28214
Add	0	0	0	0	0
Valuation Difference	0	0	0	0	0
Difference due to Physical verification	0	0	0	0	1,88882
Purchase Bill accounted later	0	0	0	0	0
Others 1	0	41,88870	0		0
Others 2	0	0	0	0	0
Less	0	0	0	0	0
Valuation Difference	0	0	0	0	0
Difference due to Physical verification	0	0	0	0	0
Sale Bill accounted later	0	0	0	0	0
Others 1	0	0	0	0	0
Others 2	0	0	0	0	0
Trade Payable as per Books of Account	424,88914	387,28851	887,88983		428,08222



21 Ratio Analysis

(i) Debt-Equity Ratio	<u>Total Debt</u> Shareholders' Equity	6.11	6.08	24.90%
(ii) Debt Service Coverage Ratio	<u>Interest Available for Debt Service</u> Debt Service	159.09	N.A.	N.A.
(iii) Return on Equity Ratio	<u>Profit after Tax</u> Average Shareholder's Equity	2.83%	4.45%	-38.45%
(iv) Inventory turnover ratio	<u>Total Turnover</u> Average Inventories	5.43	5.80	-7.00%
(v) Trade receivables turnover ratio	<u>Total Turnover</u> Average Account Receivable	8.40	4.39	24.20%
(vi) Trade payables turnover ratio	<u>Total Turnover</u> Average Account Payable	9.77	4.06	42.20%
(vii) Net capital turnover ratio	<u>Total Turnover</u> Net Working Capital	4.73	4.12	14.84%
(viii) Net profit ratio	<u>Net Profit</u> Total Turnover	3.15%	4.21%	-25.19%
(ix) Return on Capital Employed	<u>Return before interest and taxes</u> Capital Employed	4.23%	4.23%	-4.74%
(x) Return on Investment	<u>Return on Investment</u> Total Investment	5.94%	44.55%	-86.68%

- (i) Debt ratio is increased due to inflow of funds through Debt funds.
- (ii) Return on Equity ratio: Correspondence increase in Shareholder Equity as well decline in profit.
- (iii) Trade Payables To ratio: It is increased due to increase in purchase.
- (iv) Net Profit ratio: Decline in profit for the current period.
- (v) Return on Investment: increase in investment due to which there is substantial decline.

22 Other Statutory Disclosures as per the Companies Act, 2013

The Company does not have anything to report in respect of the following:

- Branches/branches
- Trading in investments in equity or mutual funds
- Guaranteeing of any loan or advance or loans with the understanding that the recipient shall lend, invest, provide security or guarantee or behalf of the Company/funding party
- Transactions not recorded in books that were surrendered or declared as income during income tax assessment
- Changes in subsidiary not reported with ROC beyond statutory period
- The events in respect of statutory intimation procedures not being held in the name of the Company
- Transactions with share-off shareholders
- Non-compliance with number of loans as prescribed under the Companies Act, 2013, read with Companies (Restriction on number of loans) Rules, 2011
- Other Defaults by any bank or financial institution or other lender

23 Reorganizing

For our year's figures have been reorganized, re-arranged and re-arranged wherever necessary

24 Other Notes

The Company has received information from 'Supplier' regarding the status under Micro, Small and Medium Enterprises Development Act, 2006, and hence, disclosure, if any, relating to amount unpaid as at the period end as required under the Act has been given. The details has not been provided as per the explanation provided by the management after verification letters from its parties that its payment is made within due dates.


Disclosure requirement as required by the AS-15 (Employee 2006), Employee Benefits are not given in view of unavailability of the required information with the company.

For DNV & Co.
Chartered Accountants
Firm's Registration No. 110148A


CA Shival K Singh
Partner
Membership No. 176629



UDIN: 241746230021029825
Place: Ahmedabad
Date: 20 May 2024


Mansul Gandhi
Director
90119059


Manoj Gandhi
Director
00118817


Pradyip Parikh
CFO
A0995474

For and on behalf of the Board
Ushank Colour Glass Limited


Vidhika A. Taneja
CS
46117

Place: Ahmedabad
Date: 20 May 2024

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2023 and March 31, 2024 and unaudited Financial Statement for The Half Year Ended September 30, 2023. For further details please refer to the chapter titled “Financial Statements” beginning on page 74 of this Letter of Offer.

(On the basis of consolidated financials)

EARNINGS PER SHARE

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2024
Net profit / (loss) after tax, attributable to equity shareholders	85.39	179.70	134.13
Weighted average number of Equity Shares outstanding	1,03,01,700	82,35,330	73,01,700
Basic EPS in ₹	0.83	2.18	1.28
Diluted EPS in ₹	0.83	2.18	1.28
Face value in ₹	10.00	10.00	10.00

NET ASSET VALUE PER EQUITY SHARE

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2024
Net worth (A)	4860.47	4,775.09	5,189.21
Number of Equity Shares outstanding (B)	1,03,01,700	1,03,01,700	1,07,01,700
NAV (A/B)	47.18	46.35	48.49
Face value in ₹	10.00	10.00	10.00

RETURN ON NET WORTH

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2024
Net worth (A)	4860.47	4,775.09	5,189.21
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations Attributable to Equity Holders(B)	85.39	179.70	134.13
RONW (B/A*100)	1.76	3.76	2.58

EBITDA

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2024
Profit/(Loss) after tax (A)	85.39	179.70	134.13
Tax expenses / (Credit) (B)	15.61	6.59	52.92
Exceptional Item (C)	-	-	-
Finance costs (D)	24.35	56.67	57.08

Particulars	For The Half Year Ended September 30, 2023	For The Financial Year Ended	
		March 31, 2023	March 31, 2024
Depreciation & amortization expense (E)	76.82	167.14	155.27
EBIDTA (A+B+C+D+E)	202.17	396.92	399.40

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and items as presented in the statement of profit and loss in the Consolidated Audited Financial Statements

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal 2023 and Fiscal 2022 and our unaudited financial results for half year ended September 30, 2023 included in this Letter of Offer. Our audited financial statements for Fiscal 2023 & Fiscal 2024 and unaudited financial results for half year ended September 30, 2023, are prepared in accordance with Indian GAAP. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

*In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers Ushanti Colour Chem Private Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “**Financial Statements**” for the period ended on September 30, 2023 and Financial Years 2023 and 2022 included in this letter of offer beginning on page 75 of this Letter of Offer.*

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our Company was originally incorporated as ‘Ushanti Colour Chem Private Limited’ under the provisions of Companies Act, 1956 at Gujarat *vide* Certificate of Incorporation issued by Registrar of Companies, Gujarat on May 12, 1993. Consequently, it was converted into a public limited company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on February 19, 2018 and the name of our Company was changed to ‘Ushanti Colour Chem Limited’ and a fresh certificate of incorporation consequent upon Conversion of Private Company to Public Limited dated March 07, 2018 was issued by Registrar of Companies, Gujarat, Ahmedabad. The Corporate Identification Number of our Company is U24231GJ1993PLC019444.

Our Company is in the business of manufacturing and trading of various colours of dyestuffs since 1993 till 2013. After getting permission for manufacturing of CPC Blue Crude dyestuff and witnessing the growing demand of our CPC Blue product our Company decided to focus into business of manufacturing on one specific product type and specialise in it. Our Company manufactures reactive and direct dyestuffs also known as Synthetic Organic Dyes with an integrated production process. The Company also manufactures Copper Phthalocyanine, Blue Cued which are one of the major raw materials used for manufacturing of Dyestuffs. The pigment and dyestuffs manufactured by us caters to the raw material requirement of textile, garment, cotton, leather, nylon, paper, wool, ink, wood, plastic and paint industries. We concentrate in manufacturing “Turquoise Blue” Dyestuffs and Pigments. The Company has 3 manufacturing facilities situated together at Vatva GIDC in Gujarat. The facilities are spread over 2,739 sq. meters in total area. Our company also has its own Ice generation machinery, further it recovers Ammonium Carbonate from its effluent stream which are reused in the plant as well as sold to the Soda Ash Industry reducing wastage giving us incremental revenue. The Company currently has a production capacity of approx. 2,520 tons per annum. The manufacturing facilities are equipped with requisite machineries to keep a constant check on quality. The company is an ISO 9001:2015 certified company certifying the quality of the product our company manufactures.

Our Company manufactures dyes of various concentrations which influences the pricing of the product. We procure quality raw materials from Chemical industries present in Domestic markets who manufactures intermediates of dyestuffs. Our focus on “Turquoise Blue” Dyestuffs has assisted us to be become a niche player in the segment. Our company generates most of its revenue from export operations and has received from Certificate of Recognition as Export House, products of the company are exported to countries like, Turkey, Egypt, Bangladesh, Malaysia, Indonesia, China etc. We have a dedicated Research & Development and Quality Control Team, which looks after the quality of the product we manufacture. Our customers are mostly traders

who sell directly to textile manufacturers as well as other industries. Our relationship with our traders and esteemed customer base is key factors of our success in the industry.

For further details, please refer to the section titled “*Our Business*” beginning on page 61 beginning of this Letter of Offer.

FINANCIAL PERFORMANCE

The financial performance of our Company for half year ended on September 30, 2023 and as on March 31, 2023 and 2024 is as follows:

Particulars	(₹ in Lacs)		
	For the half year ended on September 30, 2023	Year Ended March 31, 2023	Year Ended March 31, 2024
Revenue from operations	2076.02	4267.83	4,258.88
EBITDA	202.17	391.74	399.40
Profit/ (loss) after tax from continuing operation	85.39	179.70	134.13
Profit/ (loss) after tax from discontinuing operation	-	-	-
Profit/ (loss) from continuing and discontinuing operation	85.39	179.70	134.13

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” on page 20 beginning of this Letter of Offer.

Our Company’s future results of operations could be affected potentially by the following factors:

1. We specialize in only 1 product type, i.e., Blue Colour Dyes.
2. Our products use raw materials, prices of which have been very volatile in past.
3. Presently our major focus of revenue is on the sale of Blue Dyestuffs and any decrease in the demand for them will adversely affect our business.
4. Intense competition from China may affect our business adversely.
5. We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.
6. Our future growth is majorly dependent on the new manufacturing facility which we are setting up. Any delay in commissioning the new facility may hamper the business operations of our company.
7. We have not placed orders for 100% of the Plant & Machineries which will be required to be installed in the new manufacturing facility.
8. We are in business related to chemicals which faces excessive government regulations.
9. Our Company generates major portion of its revenue from export operations. Any problems in such geographies may affect our business adversely.
10. Our Company intends to utilize part of the proceeds of this Issues towards repayment of secured borrowings.
11. Our export operations are largely dependent on various treaties and government agreements between India and foreign nations.
12. Our manufacturing unit and proposed manufacturing facility is situated on plots that are taken on long-term lease from G.I.D.C., and we will have to comply with the terms and conditions/covenants laid down in lease agreements with G.I.D.C., noncompliance of the same may affect our business operations.

SIGNIFICANT ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 75 of this Letter of Offer, there has been no change in accounting policies during the Fiscal years 2024, 2023 and for half year ended September 30, 2023, September 30, 2022.

CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 75 of this Letter of Offer, there has been no change in accounting policies during the Fiscal years 2024, 2023 and for half year ended September 30, 2023, September 30, 2022.

COMPONENTS OF INCOME AND EXPENDITURE

Total Revenue

Our total revenue is divided into revenue from operations and other income. Revenue from operations consists revenue from sale of goods.

Total Expenses

Our total expenses comprise of Cost of material consumed, purchase of stock in trade, Changes in inventories of finished goods, work -in progress and stock-in-trade, Employee benefit expenses, Finance cost, Depreciation, Other expenses.

Cost of material consumed

Our Cost of material consumed comprise of purchases of raw materials.

Purchases of stock in trade

Our purchase of stock in trade comprise of purchases of raw materials.

Change in Inventories

Our change in inventories comprise of change in opening and closing of raw materials.

Employee benefit expenses

Employee benefit expenses comprises of Directors Remuneration, Salary, Incentives, Hak Raja, Bonus, Contribution to EPF and ESI, Staff welfare expenses, Contribution to provident and other funds, -Gratuity Fund Contribution.

Finance cost

Finance cost comprises of Bank Charges and Commission, Interest paid to Banks and Financial Institutions, Other borrowing costs.

Other Expenses

Other expenses majorly comprise of Repairs to machinery, Labour and processing charges, Pollution Control Expenses, Power-Fuel and Water.

Taxation

The current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Audited Financial Statements of our Company for the period ended September 30, 2023 and for the period ended September 30,2022 and financial years ended March 31, 2024 and 2023:

(₹ in Lacs)

	For the period ended on September 30,	For the year ended on March 31,
--	---------------------------------------	---------------------------------

Particulars	2023	% of Total**	2022	% of Total**	2023	% of Total**	2022	% of Total**
INCOME								
Revenue from Operations	2,076.02	94.76%	2,573.18	97.75%	4,267.83	91.73%	4,258.88	94.07%
Other Income	114.90	5.24%	59.12	2.25%	384.58	8.27%	268.34	5.93%
Total Revenue (A)	2,190.92	100.00%	2,632.30	100.00%	4,652.41	100.00%	4,527.22	100.00%
EXPENDITURE								
Cost of material consumed	1,182.49	53.97%	1,560.09	59.27%	2,600.36	55.89%	2,608.66	57.62%
Purchase of Stock-in-Trade	109.88	5.02%	96.05	3.65%	176.45	3.79%	202.55	4.47%
Changes in inventories of finished goods, work -in progress and stock-in-trade	(4.59)	-0.21%	49.60	1.88%	21.38	0.46%	(119.19)	-2.63%
Employee benefits expense	172.62	7.88%	175.87	6.68%	358.11	7.70%	340.39	7.52%
Finance costs	24.35	1.11%	32.60	1.24%	56.67	1.22%	57.08	1.26%
Depreciation and amortization expense	76.82	3.51%	84.81	3.22%	167.14	3.59%	155.27	3.43%
Other expenses	528.35	24.12%	609.18	23.14%	1,099.19	23.63%	1,095.41	24.20%
Total Expenses (B)	2,089.92	95.39%	2,608.20	99.08%	4,479.30	96.28%	4,340.17	95.87%
Profit/(Loss) before Tax	101.00	4.61%	24.10	0.92%	173.11	3.72%	187.05	4.13%
Tax Expense/ (benefit)								
(a) Current Tax Expense	16.52	0.75%		0.00%		0.00%	53.90	1.19%
(b) Deferred Tax	(0.91)	-0.04%	(4.62)	-0.18%	(6.59)	-0.14%	(1.85)	-0.04%
(c) Other Tax Exp / Adj. for Earlier year	-	-	-	-	-	-	0.87	
Net tax expense / (benefit)	15.61	0.71%	-4.62	-0.18%	-6.59	-0.14%	52.92	1.17%
Profit/(Loss) for the year	85.39	3.90%	28.72	1.09%	179.70	3.86%	134.13	2.96%

SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2023 COMPARED TO SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Total Revenue

Our total revenue for the Six Months Period ended September 30, 2023 was ₹2,190.92 Lacs as compared to ₹ 2,632.30 Lacs for the Six Months Period ended September 30, 2022, representing a decrease of 16.77%.

Revenue from Operations

The revenue income from operations for the six months period on ended on September 30, 2023 was ₹ 2,076.02 Lacs as compared to ₹ 2,573.18 Lacs for the six months period ended on September 30, 2022, representing a decrease of 19.32%.

Other Income

The other income for the six months period on ended on September 30, 2023 was ₹ 114.90 Lacs as compared to ₹ 59.12 Lacs for the six months period on ended on September 30, 2022, representing an increase of 94.35%.

Total Expenses

Our total expenses for the six months period on ended on September 30, 2023 was ₹ 2,089.92 Lacs as compared to ₹ 2,608.20 Lacs for the six months period on ended on September 30, 2022, representing a decrease of 19.87%.

Cost of material consumed

The Cost of material consumed for the six months period on ended on September 30, 2023 was ₹ 1,182.49 Lacs as compared to ₹ 1,560.09 for the six months period on ended on September 30, 2022, representing a decrease of 24.20%.

Purchase of Stock in trade

The Purchase of Stock in trade for the six months period on ended on September 30, 2023 was ₹ 109.88 Lacs as compared to ₹ 96.05 for the six months period on ended on September 30, 2022, representing an increase of 14.40%.

Changes in Inventories

The Changes in Inventories for the six months period on ended on September 30, 2023 was ₹ (4.59) Lacs as compared to ₹ 49.60 Lacs for the six months period on ended on September 30, 2022, representing an decrease of 109.25 %.

Employee Benefit Expenses

The Employee Benefit Expenses for the six months period on ended on September 30, 2023 was ₹ 172.62 Lacs as compared to ₹ 175.87 Lacs for the six months period on ended on September 30, 2022, representing a decrease of 1.85 %.

Finance Cost

The finance cost for the six months period on ended on September 30, 2023 was ₹ 24.35 Lacs as compared to ₹ 32.60 Lacs for the six months period on ended on September 30, 2022, representing a decrease of 25.31%.

Depreciation

The Depreciation for the six months period on ended on September 30, 2023 was ₹ 76.82 Lacs as compared to ₹ 84.81 Lacs for the six months period on ended on September 30, 2022.

Other Expenses

Other Expenses for the six months period on ended on September 30, 2023 was ₹ 528.35 Lacs as compared to ₹ 609.18 Lacs for the six months period on ended on September 30, 2022, representing decrease of 13.27%.

Profit before Tax

Profit before tax for the six months period on ended on September 30, 2023 was ₹101.00 Lacs as compared to ₹ 24.10 Lakhs for the six months period on ended on September 30, 2022, representing an increase of 319.09 %.

Tax Expenses

Current Tax Expense for the six months period on ended on September 30, 2023 was ₹ 16.52 Lacs and Deferred Tax was (0.91).

Current Tax Expense for the six months period on ended on September 30, 2022 was nil and Deferred Tax was (4.62)

Profit after Tax

Profit after tax for the six months period on ended on September 30, 2023 was ₹ 85.39 Lacs as compared to ₹ 28.72 Lacs for the six months period on ended on September 30, 2022, representing an increase of 197.32 %.

COMPARISON OF FINANCIAL YEAR ENDED 2024 TO FINANCIAL YEAR ENDED 2023

Our total revenue decreased by 3.72% to ₹4,652.41 Lacs for the FY 2024 from ₹ 4,652.41 Lacs for the FY 2023 due to the factors described below:

Revenue from Operations

Our revenue from operations was decreased by 0.21% to ₹4,258.88 Lacs for the FY 2024 from ₹4,267.83 Lacs for the FY 2023.

Other Income

Other income decreased by 30.23% to ₹ 268.34 Lacs for the FY 2024 from ₹ 384.58 Lacs in FY 2023.

Total Expenses:

Our total expenses decreased by 3.11% to ₹ 4,340.17 Lacs for the FY 2024 from ₹ 4,479.30 Lacs for the FY 2023 due to the factors described below:

Purchase of Stock in trade

The Purchase of Stock in trade increased by 14.79 % to ₹ 202.55 Lacs in FY 2024 from ₹ 176.45 Lacs in FY 2023.

Changes in Inventories

The Changes in Inventories increased by 657.48% to ₹ -119.19 Lacs in FY 2024 from ₹ 21.38 Lacs in FY 2023.

Employee Benefit Expenses

The Employee Benefit Expenses decreased by 4.95% to ₹ 340.39 Lacs in FY 2024 from ₹ 358.11 Lacs in FY 2023.

Finance Cost

The Finance cost increased by 0.72% ₹ 57.08 Lacs in FY 2023 from ₹ 56.67 Lacs in FY 2021.

Depreciation

The Depreciation expenses was ₹ 155.27 Lacs in FY 2024 and ₹ 167.14 Lacs in FY 2023.

Other Expenses

The Other expenses decreased by 0.34% to ₹ 1095.41 Lacs in FY 2024 from ₹ 1099.19 Lacs in FY 2023.

Profit before Tax

Our profit before tax increased by 8.05% to ₹ 187.05 Lacs for the FY 2024 from ₹ 173.11 Lacs for the FY 2023.

Tax Expenses

Our current tax expense in FY 2024 was 53.90 and Deferred Tax was ₹ (1.85) Lacs and Other Tax Exp / Adj. for Earlier year was ₹ 0.87 Lacs.

Our current tax expense in FY 2023 was Nil Lacs and Deferred Tax was ₹ (6.59) Lacs

Profit after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by 25.36 % to ₹ 134.13 Lacs in FY 2024 from ₹ 179.70 Lacs in FY 2023.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “*Financial Statements*” beginning on page 75 of this letter of offer.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Letter of Offer, there have been no significant developments after March 31, 2024, the date of the latest balance sheet included in this Letter of Offer that may affect our future results of operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

There are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies.

Further our Company, Directors, Promoters and Group Companies are not wilful defaulters or fraudulent borrowers and there have been no violations of securities laws in the past or pending against them.

LITIGATION RELATING TO OUR COMPANY

A. CASES FILED AGAINST OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Taxation

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
<i>Indirect Tax</i>		
Sales Tax/VAT	NIL	NIL
Central Excise	NIL	NIL
Customs	NIL	NIL
Service Tax	NIL	NIL
Total	NIL	NIL
<i>Direct Tax</i>		
Income Tax	01	0.94
Total	01	0.94

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

B. CASES FILED BY OUR COMPANY

1. Litigation involving Civil Laws

Nil

2. Litigation involving Company Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Taxation

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

C. NOTICES FROM STATUTORY AUTHORITIES

Nil

LITIGATION RELATING TO THE DIRECTORS OTHER THAN PROMOTERS OF THE COMPANY

A. CASES FILED AGAINST THE DIRECTORS

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

B. NOTICES FROM STATUTORY AUTHORITIES

Nil

C. CASES FILED BY THE DIRECTORS

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

LITIGATION RELATING TO OUR PROMOTER AND PROMOTER GROUP ENTITIES

A. CASES FILED AGAINST THE PROMOTER AND PROMOTER GROUP ENTITIES

1. Litigation involving Civil/Statutory Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Economic Offenses

Nil

4. Litigation involving Tax Liabilities

Nil

5. Other Pending Litigation based on Materiality Policy of our Company

Nil

B. CASES FILED BY THE PROMOTER AND PROMOTER GROUP ENTITIES

1. Litigation involving Civil Laws

Nil

2. Litigation involving Criminal Laws

Nil

3. Litigation involving Securities and Economic Laws

Nil

4. Litigation involving Labour Laws

Nil

5. Litigation involving Taxation

Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWER

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

MATERIAL DEVELOPMENTS OCCURRING SINCE MARCH 31, 2023

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiaries, to conduct our existing business and operations.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

As on the date of this Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on December 22, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has, at its meeting held on October 03, 2024, determined the Issue Price as ₹ 55 per Rights Equity Share (including a premium of ₹ 45 per Rights Equity Share) in consultation with the Legal Advisor to the Issue, and the Rights Entitlement as 05 Rights Equity Shares for every 100 Equity Shares held on the Record Date.

This Letter of Offer has been approved by our Board pursuant to their resolutions dated, October 14, 2024

Our Company has received in-principle approval from NSE pursuant to Regulation 28 of SEBI (LODR) Regulations, vide its letter dated April 24, 2024 for listing of the Rights Equity Shares to be allotted pursuant to the Issue. Our Company will also make an application to NSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE00NI20015 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN INE00NI20015 both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled “*Terms of the Issue*” beginning on page 95 of this Letter of Offer.

PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company have not been debarred and are not prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are, in any manner, associated with the securities market.

PROHIBITION BY RBI

Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

CONFIRMATION UNDER THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

As on the date of this Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended (“SBO Rules”), to the extent applicable.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on Emerge platform of National Stock Exchange of India Limited. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI (ICDR) Regulations and

other applicable provisions of the SEBI (ICDR) Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI (ICDR) Regulations, to the extent applicable. Our Company has made application to the Stock Exchange and has received their in-principal approval for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with NSE;
2. The reports, statements and information referred to above in clause (1) are available on the website of NSE;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board of directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER.

DISCLAIMER CLAUSE OF NSE

“AS REQUIRED, A COPY OF THIS LETTER OF OFFER HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF. NO. NSE/LIST/C/2024/0463 DATED APRIL 24, 2024 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS LETTER OF OFFER AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS LETTER OF OFFER FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE LETTER OF OFFER HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS LETTER OF OFFER; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER."

YOU MAY INSERT THE FOLLOWING LINES IN THE ADVERTISEMENTS INSTEAD OF THE ENTIRE DISCLAIMER CLAUSE: "IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE LETTER OF OFFER HAS BEEN CLEARED OR APPROVED BY NSE NOR DOES IT CERTIFY THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THE LETTER OF OFFER. THE INVESTORS ARE ADVISED TO REFER TO THE LETTER OF OFFER FOR THE FULL TEXT OF THE 'DISCLAIMER CLAUSE OF NSE'".

"KINDLY NOTE, THIS EXCHANGE LETTER SHOULD NOT BE CONSTRUED AS APPROVAL UNDER ANY OTHER ACT / REGULATION/ RULE/BYE LAWS (EXCEPT AS REFERRED ABOVE) FOR WHICH THE COMPANY MAY BE REQUIRED TO OBTAIN APPROVAL FROM OTHER DEPARTMENT(S) OF THE EXCHANGE. THE COMPANY IS REQUESTED TO SEPARATELY TAKE UP MATTER WITH THE CONCERNED DEPARTMENTS FOR APPROVAL, IF ANY."

DISCLAIMER FROM OUR COMPANY, OUR DIRECTOR(S)

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company shall make all the relevant information available to the Eligible Equity Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at the date of this Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be National Stock Exchange of India Limited.

DISCLAIMER CLAUSE OF NSE

As required, a copy of this Letter of Offer shall be submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to the filing with SEBI and NSE.

FILING

The Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Letter of Offer as the size of issue is less than ₹ 50 Crore (Fifty Crores). The Letter of Offer has been filed with NSE for obtaining in-principle approval. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: cfddil@sebi.gov.in.

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form (collectively "Issue Materials) and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided an Indian address and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, The Stock Exchange.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Issue Materials or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or

registration requirement (other than in India). If the Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in the Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., Bigshare Services Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in

case of ASBA process),. For details on the ASBA process, please see “*Terms of the Issue*” on page 95 of this Letter of Offer.

Investor Grievances arising out of this Issue

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Ms. Vishakha Tanwar 88/8 GIDC, Phase I, Vatva, Ahmedabad- 382445, Gujarat, India Tel: 079-25833315 Email: csucl@ushanti.com Website: www.ushanti.com	Bigshare Services Private Limited Address: Office No. S6-2, VI Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (E), Mumbai-400093 Telephone: +91-022-62638200 Fax: +91-022-62638299 Email: rightsissue@bigshareonline.com Investor Grievance : investor@bigshareonline.com Website: www.bigshareonline.com Contact person: Mr. Suraj Gupta SEBI Registration No: INR000001385

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (rightsissue@bigshareonline.com / +91-022-62638200).

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SECTION VII: OFFERING INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar.

Further, In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, The Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company’s website at www.ushanti.com;
- b) Registrar to the Issue’s website at www.bigshareonline.com;
- c) NSE website at www.nseindia.com;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue’s website at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.ushanti.com.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer “Procedure for Application through the ASBA Process” on page 110.

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" on page 117. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" on page 112 of this Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

4. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a) The Eligible Equity Shareholders are residents;
- b) The Eligible Equity Shareholders are not making payment from non-resident account;
- c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

5. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” beginning on page 121.

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com;

Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: csucl@ushanti.com;

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.bigshareonline.com;

Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: www.bigshareonline.com.

RENOUNCES

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on December 22, 2023 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Board of Directors of our Company in its meeting held on October 03, 2024 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 55 /- per Rights Equity Share, in the ratio of 05:100 i.e., Five (05) Rights Equity Share for every One Hundred (100) Equity Shares, as held on the Record Date.

Our Company has received in-principle approval from NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to its letter dated April 24, 2024.

BASIS FOR THIS ISSUE

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

RIGHTS ENTITLEMENTS

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue materials (“Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then

the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see “*Notice to Investors*” and “*Restrictions on foreign ownership of Indian securities*” on page 11 and 128 of this Letter of Offer.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Shares will be having face value of ₹10.00 (Rupees Ten Only).

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 55 /- (Rupees Fifty Five only) per Rights Equity Share (including a premium of ₹ 45/- (Rupees Forty Five only) per Rights Equity Share) in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Advisor to the Issue and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 05 Rights Equity Share(s) for every 100 fully paid-up Equity Share(s) held by the Eligible Equity Shareholders as on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ 55/- (including premium of ₹ 45 per Rights Equity Share) per Rights Equity Share shall be payable at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see “*Procedure for Renunciation of Rights Entitlements*” on page 111 of this Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (a) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (b) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to: (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or (ii) Equity Shares held in the account of IEPF authority; or (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (v) Credit of the Rights Entitlements returned/ reversed/ failed; or (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE00NI20015. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by November 21, 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 124.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 2 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or is not in the multiple of 2 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder hold 100 Equity Shares, such Equity Shareholder will be entitled to 05 Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one

additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 100 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Shares, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking of Equity Shares

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Rights Equity Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank *pari-passu*, in all respects including dividend, with our existing Equity Shares.

Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the NSE under ISIN INE00NI20015. Prior to the Issue Opening Date, our Company will obtain the approval from the NSE for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from November 04, 2024 to November 18, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see "*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on page 111 and 112 of this Letter of Offer.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue

Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN: INE00NI20015 for REs so obtained will be permanently deactivated from the depository system.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the NSE through letter bearing reference number Ref.No: NSE/LIST/C/2024/0463 dated April 24, 2024. Our Company will apply to the NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on Emerge platform of NSE bearing Scrip Symbol 'UCL' under ISIN 'INE00NI01015'. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approval from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

In case our Company fails to obtain listing or trading permission from the NSE SME, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the NSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled "*Intention and participation by the promoter and promoter group*" under the chapter titled "*Capital Structure*" on page 40 of this Letter of Offer.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

The right to receive dividend, if declared;

The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders;

The right to receive surplus on liquidation;

The right to free transferability of Rights Equity Shares;

The right to attend general meetings of our Company and exercise voting powers in accordance with law; and

Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for trading of Rights Entitlements is 100 Shares and in multiples of 100 Shares. To clarify further, fractional entitlements are not eligible for trading.

Minimum Subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares are traded in dematerialized form only. The market lot for trading of Rights Entitlements is 100 Shares and in multiples of 100 Shares and therefore the marketable lot is 100 Equity Shares.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent

only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad, where our Registered Office is situated). The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

Subscribe for additional Equity Shares over and above their Rights Entitlements;

Renounce the Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or

Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at rightsissue@bigshareonline.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders only to

E-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses;

Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;

Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company;

In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

Our Company at www.ushanti.com;

The Registrar at www.bigshareonline.com;

The Stock Exchange at www.nseindia.com;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.ushanti.com by entering their DP-ID and Client-ID and PAN.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “*Grounds for Technical Rejection*” on page 117 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar and Stock Exchange or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 112 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Equity Shares:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE, and

Applications submitted to anyone other than the Designated Branches of the SCSB

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 112 of this Letter of Offer.

ADDITIONAL RIGHTS EQUITY SHARES

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 121 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 100 Shares. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from November 04, 2024 to November 18, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE00NI20015 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

Name of our Company, being '*USHANTI COLOUR CHEM LIMITED*'.

Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

Registered Folio No./DP and Client ID No.;

Number of Equity Shares held as on Record Date;

Allotment option – only dematerialized form;

Number of Rights Equity Shares entitled to;

Total number of Rights Equity Shares applied for;

Number of additional Rights Equity Shares applied for, if any;

Total amount paid at the rate of ₹ 55/- for Rights Equity Shares issued in one Rights Entitlement;

Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.

Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as ‘**Regulation S**’), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.kfintech.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

The Eligible Equity Shareholders can access the Application Form from:

The website of the Registrar at www.bigshareonline.com;

Our Company at www.ushanti.com and

The Stock Exchange at www.nseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 122 OF THIS LETTER OF OFFER.

GENERAL INSTRUCTIONS FOR INVESTORS

Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;

Please read the instructions on the Application Form sent to you;

The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees;

Application should be made only through the ASBA facility;

Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;

In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “Application on Plain Paper under ASBA process” on page 112 of this Letter of Offer;

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and

Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;

In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;

All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected.** With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors;

In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;

For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India.

Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;

In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;

All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012' within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;

In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;

Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;

An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do's:

Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;

Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;

Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;

Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

Do not pay the Application Money in cash, by money order, pay order or postal order;

Do not submit multiple Applications.

Do's for Investors applying through ASBA:

Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only;

Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;

Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;

Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;

Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;

Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;

Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

Don'ts for Investors applying through ASBA:

Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;

Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;

Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;

Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

GROUND'S FOR TECHNICAL REJECTION

Applications made in this Issue are liable to be rejected on the following grounds:

DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;

Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;

Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;

Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;

Account holder not signing the Application or declaration mentioned therein;

Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;

Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;

Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);

Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;

Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;

Physical Application Forms not duly signed by the sole or joint Investors;

Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;

If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;

Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form;

Applications which have evidence of being executed or made in contravention of applicable securities laws;

Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;

Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN

JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, and Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or Applicants are requested to strictly adhere to these instructions.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company;

Note:

In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;

Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

Notes

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India;

In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares;

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is November 25, 2024 i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, **subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).**

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, “*Basis of Allotment*” on page 121 of this Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE,

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights

Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility may withdraw their application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	October 31, 2024
Issue Opening Date	November 04, 2024
Last Date for On Market Renunciation*	November 18, 2024
Issue Closing Date	November 25, 2024
Finalisation of Basis of Allotment (on or about)	November 29, 2024
Date of Allotment (on or about)	December 02, 2024
Date of Credit (on or about)	December 05, 2024
Date of Listing (on or about)	December 11, 2024

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., November 21, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at

the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

National Automated Clearing House (hereinafter referred to as 'NACH') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR

DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE BSE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;

All steps for completion of the necessary formalities for listing and commencement of trading at NSE, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;

The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;

Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;

Adequate arrangements shall be made to collect all ASBA applications;

Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

All monies received out of issue of this Rights Equity Issue to the public shall be transferred to a separate bank account.

Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

IMPORTANT

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed '**USHANTI COLOUR CHEM LIMITED -RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Bigshare Services Private Limited

Address: Office No. S6-2, VI Floor, Pinnacle Business Park,
Mahakali Caves Road, Andheri (E), Mumbai-400093

Telephone: +91-022-62638200

Fax: +91-022-62638299

Email: rightsissue@bigshareonline.com;

Investor Grievance : investor@bigshareonline.com;

Website: www.bigshareonline.com;

Contact person: Mr. Suraj Gupta

SEBI Registration No: INR000001385

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are +91-022-62638200.

This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.ushanti.com from the date of this Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

- (i) Registrar Agreement dated January 31, 2024, entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated October 14, 2024 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.
- (iii) Tripartite Agreement dated May 30, 2018 between our Company, NSDL and the Registrar to the Issue.
- (iv) Tripartite Agreement dated May 22, 2018 between our Company, CSDL and the Registrar to the Issue.

Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated December 22, 2023 in relation to the Issue.
- (iii) Resolution of the meeting of Board of Directors dated October 03, 2024 finalizing the terms of the Issue.
- (iv) Resolution of the meeting of the Board of Directors dated October 03, 2024 for fixing the Record Date.
- (v) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- (vi) Statement of Tax Benefits dated 25th January, 2024 from the Statutory Auditor included in this Letter of Offer.
- (vii) In principle listing approval dated April 24, 2024 issued by NSE.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 1956 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- _____ Mr. Maunal Shantilal Gandhi Joint Managing Director	Sd/- _____ Mr. Minku Shantilal Gandhi Joint Managing Director
Sd/- _____ Mrs. Hanisha Jinish Patel Independent Director	
Sd/- _____ Mrs. Purvi Tapan Trivedi Independent Director	Sd/- _____ Mr. Tejas Pravinkumar Shah Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/- _____ Mr. Pradip Bhadrilal Gandhi Chief Financial Officer	Sd/- _____ Ms. Vishakha Tanwar Company Secretary & Compliance Officer
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Place: Ahmedabad
Date: October 14, 2024