

To

April 15, 2025

The Board of Directors,

Ushanti Colour Chem Limited

CIN - L24231GJ1993PLC019444

Reg. Off.: 88/8 GIDC Phase I,

Vatva, Ahmedabad,

GJ 382445, IN

Dear Sir/ Madam,

Subject: Valuation of Equity Shares of Ushanti Colour Chem Limited (“UCCL” or “The Company”) for the purpose of proposed issue of Convertible Equity Warrants convertible into the fully paid up Equity Shares on preferential basis to the identified investors in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”) and under section 42 & 62(1)(c) of the Companies Act, 2013, read with applicable rules issued thereunder.

The management of Ushanti Colour Chem Limited (hereinafter referred to as “UCCL” or the “Company”) has approached and appointed, Den Valuation (OPC) Private Limited, registered valuer (hereinafter referred to as “Den Valuation”, “we”, “us”, “our”) on April 10, 2025, to value the Equity Shares of the Company for the purpose of proposed issue of Convertible Equity Warrants convertible into the fully paid-up Equity Shares on preferential basis to the identified investors.

Based on the discussions that we had and based on the information and documents received from the management of the Company (hereinafter referred to as “**Management**”) from time to time, we hereby provide our Report on the valuation of equity shares of UCCL.

1. BRIEF DETAILS OF THE COMPANY

Ushanti Colour Chem Limited is a listed public company incorporated on 12 May 1993, having Corporate Identification Number L24231GJ1993PLC019444. The registered

office of the Company is situated at 88/8 GIDC Phase I, Vatva, Ahmedabad GJ 382445 IN.

UCCL has plants in Vatva and Saykha, catering to the needs of Cotton textile, Paper, Leather, Paint, Wool, Nylon, Plastic and Ink industries through the full range of Reactive (Ushatron), Direct (Usharect), Acid (Ushacid) dyes.

The Equity Shares of the Company are currently listed on Emerge platform on NSE Limited ("NSE"). They are traded on NSE (Security ID NSE: UCL).

2. PURPOSE, SCOPE OF VALUATION AND ASSET UNDER VALUATION

The Company is proposing to issue fully paid-up Equity Shares of face value of ₹10/- each ("shares") on preferential allotment basis to certain identified persons. The preferential allotment is proposed to be made for consideration in cash.

For this purpose, the fair value of the Company's equity shares quoted on the National Stock Exchange of India Limited has been considered, where the Company's existing equity shares traded at the higher volume.

To issue the equity shares on preferential allotment basis, the Company is required to determine the price at which equity shares should be allotted in accordance with the SEBI ICDR Regulations as amended and its articles of association and under Companies Act, 2013. Further, section 247 of Companies Act 2013 provides statutory backing to the valuation, which requires that in respect of valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of the Companies Act, 2013, read with the Companies (Registered Valuers and Valuation) Rules, 2017, it should be valued by a person having such qualification and experience and registered as valuer in such manner as may be prescribed.

In view of the above background, the Registered Valuer understands that the purpose of this Report is to determine the fair value of equity shares of the Company that will be allotted to the investors in accordance with the requirement of Chapter V of the SEBI ICDR Regulations as amended, Section 42 & 62(1)(c) and Section 247 of the

Companies Act, 2013 read with the Companies (Registered Valuers and Valuation) Rules, 2017 and the articles of association of the Company, which states that when the Company proposes to issue new shares or securities, the price of such shares should be determined by the Valuation Report of a Registered Valuer.

Accordingly, we have been engaged by the Company to determine the fair value of the equity shares of the Company at which fully paid equity shares may be issued on a preferential basis in accordance with the applicable laws described above.

Basis of Valuation

This Valuation report is based on the "Going Concern Concept" which assumes that the enterprise shall continue to operate and run its business. This is our opinion gives the best estimate of the value of its Business.

Fair Value definition adopted and reported is as follows:

"The Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

Premises of Value

Premise of Value refers to the conditions and circumstances of how an asset is deployed. In the present case, we have performed the valuation of equity shares as mentioned above on a Going Concern basis.

Valuation Date

The relevant date as per Regulation 161 (a) of SEBI ICDR is "*in case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue*".

The meeting of shareholders is planned for Thursday, May 15, 2025. Hence, the relevant date is to be considered on Tuesday, April 15, 2025 as per ICDR Regulation

i.e. 30 days prior to the shareholders' meeting date.

Further as per Regulation 164 (1) of SEBI ICDR Regulations, the valuation date should be the date *preceding the relevant date*. Hence, we have taken the valuation date as *Friday, April 11, 2025 (preceding trading day to relevant date)*.

Going Concern Value

Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of Going Concern Value result from factors such as having a trained workforce, clients base, the necessary systems, software and procedures in place etc.

Identity of Valuer

Den Valuation (OPC) Private Limited, a RVE registered with IBBI having Regd. No. IBBI/RV-E/06/2021/146 under Companies (Registered Valuers & Valuation) Rules, 2017 has been appointed to carry out valuation of equity shares of Ushanti Colour Chem Limited to arrive fair value of its equity shares.

Valuation Date

The Valuation date is considered as 11 April 2025.

Pecuniary Interest Declaration

We do not have pecuniary interest in the shares of the company, past, present or prospective, and the opinion expressed is free of any bias in this regard. We strictly follow the code of conduct of the Registered Valuation Organization of IBBI.

3. DISCLAIMER AND LIMITATIONS

This Valuation Report is prepared by us under a mandate from Ushanti Colour Chem Limited based on information, documents, papers, representation and explanations given by the management, officers and staff of UCCL to us.

This Report is issued to facilitate the Company to determine the price of Equity Shares for the purpose of issue of fully paid-up Equity Shares on preferential basis.

In preparing the Valuation Report, we have relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Company. We have therefore relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness, accuracy, or truthfulness of such information.

Our work does not constitute an audit or certification or due diligence of the past financials of the Company and we have relied upon the information provided to us by the Company as regards such working results.

We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Company. As implied by the financial statements, UCCL is assumed to have those legal rights to the assets and be subject to those claims represented by the liabilities presented in its financial statements. No investigation was undertaken to confirm these legal rights or claims.

Publicly available information deemed relevant for the purpose of the analysis contained in the Valuation Report has also been used. Accordingly, the Valuation Report is based on our interpretation of the information provided By Ushanti Colour Chem Limited and/or any of its affiliates as well as its representatives and advisors, to date.

We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this Report.

This Valuation Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in the Company.

This Report does not constitute a fairness opinion, solvency opinion, or an investment recommendation and should not be construed as such either for making or divesting

investment.

This Valuation Report is furnished on a strictly confidential basis. Neither this Valuation Report nor the information contained herein may be reproduced or passed on to any person or used for any purpose other than stated above. For the avoidance of doubt, it is clarified that this Valuation Report may be placed for inspection of the shareholders of the Company.

This Report, its contents and the results herein (i) are specific to the purpose of valuation agreed as per the terms of our engagement; (ii) are specific to the date of this Report and (iii) are necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the written and oral information made available to us as of date of this report.

Events occurring after this date may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

4. SOURCES OF INFORMATION

- We have relied on the data available on NSE website to work out valuation as per SEBI ICDR Regulations as amended for frequently traded equity shares.
- Brief Profile of the Company;
- Data available from the Public Domain.
- Audited Financials of the Company for the last 2 years till FY 2024;
- Provisional Financial Statement of the Company as of 31st December 2024;
- Profitability Projections provided by the Company for the next 5 years.

5. METHODS AND APPROACH OF VALUATION

In arriving at the fair value of equity shares of the Company, we have evaluated the use of the Income Approach, Cost Approach as well as Market Approach but have finally used the Market approach in accordance with the Companies Act, 2013, SEBI ICDR Regulations as amended and the Companies (Registered Valuers and Valuation)

Rules, 2017 and have not considered other approaches and methods on account of following grounds:

- a) The equity shares of the Company have been listed on recognized stock exchange for the period of more than 90 trading days;
- b) The equity shares of the Company are frequently traded within the meaning of the SEBI ICDR Regulations as amended, the calculation for the same has been presented in **Annexure A**;
- c) The method of valuation for frequently traded shares has been prescribed in SEBI ICDR Regulations as amended.
- d) The value derived from DCF Approaches provides lower value.
- e) The value derived from cost approaches provides only its historical value per equity shares.

DISCOUNTED CASH FLOW METHOD – INCOME APPROACH

Under the DCF method the project free cash flows to the equity shareholders are discounted at the cost of equity. The sum of the discounted value of such free cash flow is the value of the firm.

Using DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that is available to the providers of the company's equity capital. i.e. After-Tax earnings adjusted for Depreciation, Capital Expenditure, Workings Capital and Net borrowings.

An appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flow, should reflect the opportunity cost to the equity capital providers (namely shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

The cash flows are typically projected over a limited number of years, depending on the planning horizon of the specific company and other factors related to the industry and the general economy. As a result, it is necessary to compute a terminal value as of the end of the last period for which cash flows are projected. This terminal value is essentially an estimate of the value of the enterprise as of that future point in time, and it incorporates the assumptions of perpetual operations and implicit growth found in the market approach. Discounting the projected future cash flows and the terminal value back to the present and summing the results yields an indication of value for the enterprise as a whole.

Appropriate adjustments have been made to the enterprise value for specific cash and cash equivalents and Value of Non-Operating Assets pertaining to the company to arrive at the fair value of the Company.

We have been provided with the Projected Financial Statement for the next 5 years till FY 29. Based on which the following Value conclusion has been derived. The detailed working for DCF is attached as per **Annexure – B**.

Equity Valuation	
Particulars	₹ in Lacs
Present Value of Explicit period	1,028.61
Terminal Period Value	5,699.51
Cash & Bank Balance	2.57
Less: Total debt	1,036.56
Business Value	5,694.13
Number of equity Shares	1,12,36,700.00
Value Per Share (₹)	50.67

As per the DCF Method the valuation of per equity shares of the Company is **₹50.67**.

NET ASSETS VALUE (NAV) METHOD – COST APPROACH

This is a general way of determining a fair value indication of a business, business ownership interest, or security by using one or more methods based on the value of the assets of that business net of liabilities. The cost-based approach establishes value

based on the cost of reproducing or replacing the property, less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. The cost-based approach derives an indication of value based on anticipated cost to replace, replicate, or recreate the assets. The Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). While we have not considered the Cost Approach in determining the fair value for the equity shares as required in our report, we have considered this as an alternate method, based on the information made available to us, in order to comply with the requirements of SEBI ICDR Regulations. Accordingly, we have worked out the valuation under the Cost approach as under:

Net Asset Value Method

As on 31.12.2024

Particulars	Amount
Non-Current Assets	5,368.10
Current Assets	2,258.43
Total Assets	7,626.53
Non-Current Liabilities	1,030.56
Current Liabilities	986.06
Total Liability	2,016.62
Net Asset available to Equity Share Holder	5,609.91
No. of Equity Shares	1,12,36,700
NAV Per Share	49.92

MARKET PRICE METHOD – MARKET APPROACH

The Company is a listed Company, the valuation of equity shares under this method is arrived at by average volume weighted average market price as per the SEBI ICDR Regulations as amended. As per Reg.164 of SEBI ICDR Regulations as amended, when the shares of the company are frequently traded on exchange, then the value of the shares to be determined in the following manner:

Regulation 164 (1)

"If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a) *the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date;*

OR

b) *the 10 trading days volume weighted average prices of the related equity shares quoted on the recognized stock exchange preceding the relevant date."*

The brief working of the value per equity shares of the Company as per Reg. 164(1) of SEBI ICDR Regulations as amended is set out below:

A) Price as per Regulation 164(1) of SEBI (ICDR) Regulations, 2018 as amended

Option – I Volume Weighted Average Price of last 90 trading days Stock Price at NSE

Trading Days	Date	Trading Volume	Trading Value
1	11-Apr-25	Not Traded	Not Traded
2	09-Apr-25	Not Traded	Not Traded
3	08-Apr-25	Not Traded	Not Traded
4	07-Apr-25	Not Traded	Not Traded
5	04-Apr-25	Not Traded	Not Traded
6	03-Apr-25	16,000.00	8,39,000.00
7	02-Apr-25	Not Traded	Not Traded
8	01-Apr-25	Not Traded	Not Traded
9	28-Mar-25	Not Traded	Not Traded
10	27-Mar-25	Not Traded	Not Traded
11	26-Mar-25	6,000.00	3,39,800.00
12	25-Mar-25	2,000.00	1,06,000.00

Den Valuation (OPC) Private Limited

Registered Valuer Entity (IBBI/RV-E/06/2021/146)



13	24-Mar-25	2,18,000.00	1,15,15,000.00
14	21-Mar-25	2,000.00	1,17,900.00
15	20-Mar-25	Not Traded	Not Traded
16	19-Mar-25	Not Traded	Not Traded
17	18-Mar-25	4,000.00	2,19,700.00
18	17-Mar-25	2,000	1,10,300.00
19	13-Mar-25	28,000	17,88,100.00
20	12-Mar-25	Not Traded	Not Traded
21	11-Mar-25	40,000	26,60,000.00
22	10-Mar-25	40,000	26,15,800.00
23	07-Mar-25	Not Traded	Not Traded
24	06-Mar-25	4,000	2,29,300.00
25	05-Mar-25	2,000	1,20,000.00
26	04-Mar-25	1,00,000	53,15,000.00
27	03-Mar-25	14,000	7,94,900.00
28	28-Feb-25	Not Traded	Not Traded
29	27-Feb-25	Not Traded	Not Traded
30	25-Feb-25	Not Traded	Not Traded
31	24-Feb-25	Not Traded	Not Traded
32	21-Feb-25	Not Traded	Not Traded
33	20-Feb-25	Not Traded	Not Traded
34	19-Feb-25	Not Traded	Not Traded
35	18-Feb-25	Not Traded	Not Traded
36	17-Feb-25	2,000	1,10,300.00
37	14-Feb-25	Not Traded	Not Traded
38	13-Feb-25	2,000	1,20,100.00
39	12-Feb-25	12,000	7,09,000.00
40	11-Feb-25	Not Traded	Not Traded
41	10-Feb-25	48,000	32,14,800.00
42	07-Feb-25	50,000	27,21,600.00
43	06-Feb-25	52,000	34,63,600.00
44	05-Feb-25	Not Traded	Not Traded
45	04-Feb-25	4,000	2,59,100.00
46	03-Feb-25	Not Traded	Not Traded
47	01-Feb-25	Not Traded	Not Traded
48	31-Jan-25	Not Traded	Not Traded
49	30-Jan-25	Not Traded	Not Traded

Den Valuation (OPC) Private Limited

Registered Valuer Entity (IBBI/RV-E/06/2021/146)



50	29-Jan-25	Not Traded	Not Traded
51	28-Jan-25	Not Traded	Not Traded
52	27-Jan-25	Not Traded	Not Traded
53	24-Jan-25	2,000	1,11,100.00
54	23-Jan-25	Not Traded	Not Traded
55	22-Jan-25	Not Traded	Not Traded
56	21-Jan-25	2,000	1,32,100.00
57	20-Jan-25	Not Traded	Not Traded
58	17-Jan-25	8,000	5,32,000.00
59	16-Jan-25	Not Traded	Not Traded
60	15-Jan-25	Not Traded	Not Traded
61	14-Jan-25	Not Traded	Not Traded
62	13-Jan-25	Not Traded	Not Traded
63	10-Jan-25	8,000	5,14,700.00
64	09-Jan-25	10,000	6,40,500.00
65	08-Jan-25	6,000	3,71,600.00
66	07-Jan-25	Not Traded	Not Traded
67	06-Jan-25	Not Traded	Not Traded
68	03-Jan-25	10,000	6,20,400.00
69	02-Jan-25	Not Traded	Not Traded
70	01-Jan-25	Not Traded	Not Traded
71	31-Dec-24	Not Traded	Not Traded
72	30-Dec-24	Not Traded	Not Traded
73	27-Dec-24	2,000	1,23,700.00
74	26-Dec-24	Not Traded	Not Traded
75	24-Dec-24	Not Traded	Not Traded
76	23-Dec-24	Not Traded	Not Traded
77	20-Dec-24	Not Traded	Not Traded
78	19-Dec-24	2,000	1,12,100.00
79	18-Dec-24	Not Traded	Not Traded
80	17-Dec-24	Not Traded	Not Traded
81	16-Dec-24	8,000	4,94,000.00
82	13-Dec-24	Not Traded	Not Traded
83	12-Dec-24	Not Traded	Not Traded
84	11-Dec-24	2,000	1,11,100.00
85	10-Dec-24	Not Traded	Not Traded
86	09-Dec-24	4,000	2,37,900.00

87	06-Dec-24	6,000	3,58,500.00
88	05-Dec-24	Not Traded	Not Traded
89	04-Dec-24	2,000	1,20,000.00
90	03-Dec-24	Not Traded	Not Traded
Total		7,20,000	4,18,49,000.00
VWAP for 90 Days (Value/Volume)			58.12

Option – II Volume Weighted Average Price of last 10 trading days of Stock Price at NSE

Trading Days	Date	Trading Volume	Trading Value
1	11-Apr-25	Not Traded	Not Traded
2	09-Apr-25	Not Traded	Not Traded
3	08-Apr-25	Not Traded	Not Traded
4	07-Apr-25	Not Traded	Not Traded
5	04-Apr-25	Not Traded	Not Traded
6	03-Apr-25	16,000	8,39,000.00
7	02-Apr-25	Not Traded	Not Traded
8	01-Apr-25	Not Traded	Not Traded
9	28-Mar-25	Not Traded	Not Traded
10	27-Mar-25	Not Traded	Not Traded
Total		16,000	8,39,000
VWAP for 10 Days (Value/Volume)			52.44

Price per equity share as per Reg. 164(1) is higher of the Option-I and Option-II:

Particular	Price Per Shares (₹)
(A) Average of VWAP for last 90 trading Days	58.12
(B) Average VWAP for last 10 trading Days	52.44
Applicable Minimum Price (Higher of above) as per Regulation 164(1) of SEBI (ICDR) Regulations, 2018	58.12

6. SELECTION OF VALUATION APPROACHES AND WEIGHTS ASSIGNED

In our analysis of UCCL, we have taken into consideration all valuation approaches like Cost approach, market approach as well as income approach for valuation of UCCL.

Typically, an investor contemplating an investment in the business with income and cash-generating capability based on risk and return profile of the similar listed Company on a going-concern basis and since market approach is more direct method to compare pricing of enterprise with similar companies available in the market, we have considered more weightage to market approach and Income approach and given less weightage to cost approach as cost approach is not much relevant to value such kind of business. We have given 40% weightage to the Income Approach and 50% weightage of market approach and 10% weightage to Cost Approach.

Valuation Approach	Fair Value Per Share	Weight	Weighted Average Fair Value Per Share
Assets Approach	49.92	10%	4.99
Income Approach	50.67	40%	20.27
Market Approach	58.12	50%	29.06
Weighted Average Fair Value per Share			54.32

7. CONCLUSION

On the basis of the valuation methodologies and basis for determining value of equity shares discussed above and Valuation Date for the purpose of determining the price for the Preferential Allotment of the Equity Shares as **April 11, 2025**, we hereby certify that in terms of Regulation 164(1) of SEBI ICDR Regulations as amended, and for the purposes of Section 42 & 62(1)(c) and section 247 of the Companies Act, 2013 read with the Companies (Registered Valuers and Valuation) Rules, 2017 and the articles of association of the Company, the minimum price shall be at weighted average value as calculated above of NAV Method, DCF Valuation or Market Price Method i.e. valuation

as per Regulation 164 of SEBI ICDR Regulations as amended, hence the equity shares may be allotted on preferential basis is not less than **₹54.32**.

For, Den Valuation (OPC) Private Limited

CA Jigar Shah

Director

IBBI Regd. No. - IBBI/RV-E/06/2021/146

Place: Ahmedabad

UDIN: 25115916BMGCGE4140

Date: 15th April 2025

Annexure – A

Details of Trading in Equity Shares of USHANTI COLOUR CHEM LIMITED during last 240 trading days, i.e., April 26,2024 to April 11, 2025

A. Percentage of Traded Turnover

Total Traded Turnover (Shares in Crores)	0.17
Total No. of Outstanding Shares (in Crores)	1.12
% of Total Traded Turnover	15.41%

(Source: www.nseindia.com)

Since the traded turnover during 240 trading days in the equity shares of the Company is more than 10.00% of the total number of equity shares outstanding, the equity shares of the Company are frequently traded within the meaning of regulation 164 of SEBI ICDR Regulations as amended.

Annexure – B

Discounted Cash Flow Method

Discounted Cash Flow Method		(₹ in Lacs)				
Particulars	2026	2027	2028	2029	2030	
PAT	65.55	294.83	349.46	414.56	500.61	
Add: Interest (1-t)	(17.73)	125.00	132.00	124.00	115.00	
Add: Depreciation and Amortisation	25.16	140.00	137.00	141.00	132.00	
Gross Cash Flow to Firm	72.98	559.83	618.46	679.56	747.61	
Capital Expenditure	(100.00)	(136.97)	(110.00)	(122.46)	(91.30)	
Changes in W.C.	(137.69)	(118.08)	(124.23)	(139.85)	(126.57)	
Net Free Cash Flow to Firm	(164.71)	304.78	384.23	417.25	529.74	
Year for Discounting Factor	0.13	1.13	2.13	3.13	4.13	
Discounting Factor	0.99	0.88	0.78	0.70	0.62	
Net Present Value	(162.36)	267.92	301.19	291.66	330.20	
Present Value for Explicit Period	1,028.61					

Particulars	₹ in Lacs
Cash Flow for Year 2029	330.20
Cost of Capital	12.14
Terminal Growth	6.00
Terminal Value	5,699.51

Equity Valuation	
Particulars	₹ in Lacs
Present Value of Explicit Period	1,028.61
Terminal Period Value	5,699.51
Cash & Bank Balance	2.57
Less: Total debt	1,036.56
Business Value	5,694.13
Existing No. of Shares	1,12,36,700
Fair Value Per equity share (₹)	50.67