Date: September 08, 2026

To
The Manager- Listing Department,
BSE Limited
P.J. Towers, Dalal Street, Fort,
Mumbai- 400001, Maharashtra, India.

Scrip ID/Code: TRUECOLORS/544531

Subject: **Annual Report of the Company for Financial Year 2025-26.**

Reference: **Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

This is to inform that the 5th Annual General Meeting ("AGM") of the Company will be held on Wednesday, September 30, 2026, at 11:30 A.M.(IST) through Video Conferencing / Other Audio-Visual Means in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2025-26, which is being sent only through electronic mode to the Shareholders latest by September 8, 2026.

The Integrated Annual Report containing the AGM Notice is also uploaded on the Company's website at https://truecolorsgroup.com/wp-content/uploads/2026/09/True-Colors-AR2026_integrated-file.pdf.

We would further like to inform that the Company has fixed Wednesday, September 23, 2026 as the cut-off date for ascertaining the names of the shareholders holding equity shares of the company, who will be entitled to cast their votes electronically in respect of the businesses to be transacted as per the Notice of the AGM and to attend the AGM.

We request you to take the above information on your records.

Thanking you.

Yours Faithfully.

For True Colors Limited
(Formerly Known as True Colors Private Limited)

JAVANIKA GANDHARVA
Digitally signed by JAVANIKA GANDHARVA
Date: 2026.09.08 19:23:47 +05'30'

Javanika Gandharva
Company Secretary & Compliance Officer
ICSI M. No.: A42880

TRUE COLORS LIMITED

Expanding the Spectrum

ANNUAL REPORT 2025-26

Inside this Report

Corporate Overview

Statutory Reports

Financial Statements

Forward Looking Statement

This Annual Report contains forward-looking statements intended to provide investors with insights into our future outlook and assist in informed decision-making. These statements, along with other periodic written and verbal communications, reflect our current plans, expectations, and assumptions made by management. Words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'project', and other similar expressions typically indicate such forward-looking statements. While these statements are based on assumptions we believe to be reasonable at the time, they are inherently subject to known and unknown risks, uncertainties, and other factors that could cause actual outcomes to differ materially from those expressed or implied. Any such divergence may result from changes in the business environment, market dynamics, regulatory shifts, or inaccuracies in assumptions. Given these inherent uncertainties, readers are advised to exercise caution in relying on forward-looking information. We undertake no obligation to update any forward-looking statements publicly, whether as a result of new information, future developments, or otherwise.

For more info visit the website:
https://truecolorsgroup.com/

FY26 HIGHLIGHTS

₹301.55 Cr
Revenue

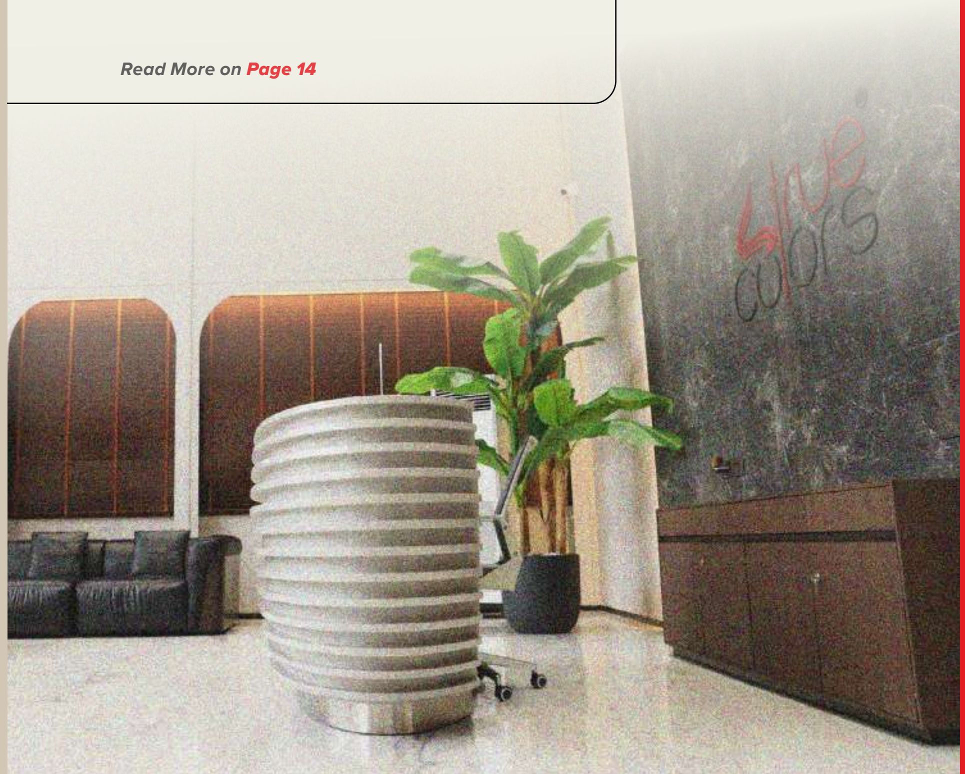
₹46.98 Cr
EBITDA

₹31.16 Cr
Profit After Tax

Sanjay Desai
MANAGING DIRECTOR

It is a privilege to write to you as True Colors completes its first year as a listed company, and to reflect on a period that tested and affirmed the way we have chosen to build this business. The financial year 2025-26 was one in which the strength of our model came through clearly in its results.

Read More on ***Page 14***



Expanding the Spectrum

Every journey of growth begins with a willingness to look beyond what exists today. At True Colors, this instinct has shaped our evolution from a printing services-led business into a wider digital textile printing platform, bringing together technology, consumables and printing capabilities.

The spectrum has expanded with each step, as we have added new capabilities, deepened our presence across the value chain and created greater value around the customers we serve.

FY26 was a year in which this evolution gained further direction. We continued to strengthen the foundations of our business while moving closer to the opportunities that lie ahead. Our growing installed base, expanding consumables portfolio and increasing manufacturing capabilities reflect a business that is becoming more deeply connected to the changing needs of digital printing. The planned integration of in-house ink manufacturing and our strategic association with ITACA mark the next step in this progression, giving us greater scope to participate across the value chain and create a more meaningful role in our customers' journeys.

For us, expanding the spectrum is therefore about more than widening what we offer. It is about broadening what True Colors can become. As digital printing continues to evolve, we see opportunities to deepen our capabilities, extend our reach and enter adjacent spaces where our experience and relationships can create relevance.

We move forward with the intent to keep expanding our horizons, while remaining anchored in the expertise, customer relationships and entrepreneurial spirit that have shaped True Colors.

Building India's Digital Printing Ecosystem

ABOUT THE COMPANY

True Colors Limited is India's only fully integrated digital textile printing ecosystem company, operating across the distribution of digital printers, the manufacturing of sublimation paper and inks, and digital printing services.

What began in 2013 as a small sublimation printing unit is today a single platform spanning machinery, consumables and finished print, where every machine installation begins a recurring consumable relationship that scales with India's shift from screen printing to digital.

AT A GLANCE

13+
Years in Operations

900+
Active machines in the field, an estimated 16 to 18% of India's digital fabric printing volumes

2 Cr
Metres per month of installed sublimation paper capacity

100+
Tonnes per month of ink supplied to the installed customer base

75,000
Metres per day of in-house digital fabric printing capacity

₹301.55 Cr
FY26 revenue

₹46.98 Cr
FY26 EBITDA

Ecosystem Completeness
End to End Ecosystem Machinery, Spares, Inks, Sublimation Paper and Finished Print Services

THE INTEGRATED ECOSYSTEM

The Company serves as a single-point solution for digital textile printing through three connected segments, giving it control over quality, turnaround and supply across the value chain:

Technology: Authorised Indian partner for five global printer manufacturers, namely Konica Minolta, ITTEN, Pengda, SkyJet and HopeTech, supplying a full range of machines along with installation, spares and after-sales service.

Consumables: India's only commercial-scale domestic manufacturer of sublimation paper, at 2 crore metres per month across a 30 to 110 GSM range, supported by its own inks matched to fabric type.

Digital Printing Services: A large-scale printing facility offering job-work and custom printed fabric, which also runs as a live demonstration centre for prospective machine buyers.

The Compounding Model

Every machine the Company installs becomes a long-term customer for its ink, paper and spares, held by three sources of stickiness: warranty cover tied to the use of True Colors ink, colour consistency that depends on staying with the same ink across repeat orders, and the operational disruption of switching a serviced machine.

While machine sales carry the thin margins typical of the industry, each installation seeds a higher-margin consumable base that compounds as the installed base grows. In FY26, ink, paper and spares accounted for just over half of total revenue on a recurring basis.

Scale and Reach

True Colors operates from Surat and serves customers through regional offices and service hubs across major textile centres, including Amritsar, Panipat, Ludhiana, Delhi, Erode, Mumbai, Tirupur, Kolkata and Varanasi, keeping technical support and consumable supply close to where machines are installed. Its customer base spans MSMEs, exporters, e-commerce brands and garment units, with no material concentration in any single group.

The Company operates from around 2 lakh square feet of facilities with a team of more than 960 people, and was listed on the BSE SME platform in 2025.

Vision

True Colors envisions being a global leader in the digital printing on fabric in India and the sublimation industry, recognized for innovation, reliability, and excellence. We aim to empower businesses with cutting-edge printing technologies that redefine efficiency, precision, and creativity.

By fostering sustainable practices, we strive to contribute to an environmentally conscious future while enabling our clients to achieve vibrant, high-quality outputs. Our vision is to inspire progress and innovation across industries, creating lasting value for our customers and stakeholders.

Mission

Our mission is to provide state-of-the-art digital textile fabric printer machines for clothing and sublimation machines that deliver superior performance and reliability. We are committed to offering comprehensive support and technical expertise, ensuring seamless integration and user satisfaction.

At True Colors, we prioritize customer success by tailoring solutions to meet their unique needs, enabling them to stand out in competitive markets. Through continuous innovation and a customer-first approach, we aim to set new benchmarks in the printing industry while fostering growth and creativity for businesses worldwide.

Solutions Across the Digital Printing Process

OUR PRODUCT PORTFOLIO

We bring together printing technology, specialised consumables and digitally printed fabrics to serve the full range of requirements a textile printer encounters. The portfolio spans equipment for varied printing applications, a wide set of ink technologies, in-house manufactured sublimation paper and value-added printing services. Taken as a whole, these offerings let the Company support customers at every stage of their move to digital printing, from a first machine installation to a fully running print operation.

Beyond the Machine

The technology offering extends past equipment supply. Installation and commissioning, operator training, spare parts, and a nationwide after-sales service network allow customers to bring a machine into production and keep it running with minimal downtime.

Enabling New Entrants

For customers entering digital printing for the first time, True Colors offers a structured onboarding path that lowers the barrier to setting up a printing business. This spans guidance and counselling on digital printing, help with establishing the setup including location, machines and prints, procurement of machinery, raw material and consumables, and delivery, installation and test-run logistics. This support turns a machine sale into the start of a working operation, and reinforces the recurring consumable relationship that follows.

Technology

PRINTING TECHNOLOGY ACROSS APPLICATIONS

True Colors is an authorised partner for five global digital printing machine manufacturers, Konica Minolta, HopeTech, ITTEN, Pengda and SkyJet, and offers six principal machine categories spanning fabric types, printing methods and production scales. Every machine sale carries installation, commissioning, operator training, spare parts and post-sale technical support.

Direct Belt Inkjet Printers

High-resolution inkjet printing directly onto fabric through a belt transport system, suited to reactive and pigment printing on cotton, viscose and silk.

Sublimation Inkjet Printers

Precision printing onto sublimation paper for heat transfer onto polyester, with print-head configurations matched to different production volumes.

Double Side Inkjet Printers

Simultaneous printing on both faces of a fabric in a single pass, for applications needing consistent patterns on each side.

Heat Transfer Machines

Industrial calender presses that transfer sublimation prints from paper to polyester under controlled thermal pressure, for durable, consistent colour.

Pigment Printers

Water-based pigment ink printing across cotton, polyester and blends, suited to fashion, home textiles and lower-water printing.

DTF Printers

Direct-to-film inkjet systems for heat transfer onto dark fabrics, stretch materials and complex substrates.

OUR PRODUCT PORTFOLIO

CONSUMABLES

THE INPUTS THAT KEEP PRINTING CONSISTENT

The consumables portfolio comprises digital printing inks and sublimation paper, spanning fabric types, printing technologies and end uses. At present, the majority of the inks are imported and distributed; the Company is bringing ink into in-house manufacturing under its INKIA brand from FY27, and has added access to premium pigment ink technology through its partnership with ITACA of Spain. Sublimation paper is already manufactured in-house.

Ink Portfolio

The FY26 range covers ten ink technologies across the principal fabric types and applications, alongside flushing solvents for print-head upkeep:

Dye Sublimation Inks
For polyester fabrics and transfer paper.

Reactive Inks
For cotton, silk and viscose.

Disperse Inks
For direct-to-polyester printing.

Pigment Inks
For multiple fabric types and mixed substrates.

Acid Inks
For silk, nylon and other protein fibres.

DTF Inks
For direct-to-film and heat-transfer applications.

UV Inks
For rigid and flexible substrates.

Solvent and Eco-Solvent Inks
For signage, wide-format and indoor applications, including more environmentally conscious indoor use.

Desktop Inks
For desktop and small-format printers.

Flushing Solvents
For print-head maintenance and cleaning.

SUBLIMATION PAPER

30 to 110
GSM Range

2 Cr+ metres
Monthly installed capacity

36 to 72 inches
Width

~52%
FY26 utilisation

DIGITAL PRINTED FABRICS

FROM DESIGN TO FINISHED FABRIC

The Company's digital printing services complete the portfolio, letting customers outsource printing or source customised printed fabric while also serving as a live demonstration of the machines the Company sells. The facility supports multiple printing processes and value-added treatments, with installed capacity of 75,000+ metres per day.

Sublimation Printing
Printing on polyester using sublimation technology.

Reactive Printing
Direct printing on cotton and viscose.

Dual-Side and Position Printing
Printing on both faces and executing precise placement-based designs.

Fluorescent and Foil Printing
Specialised finishes for enhanced visual effects.

Custom Fabric Supply
Sourcing, printing and supplying fabric to customer specifications.

Greige-to-RFD Processing
Fabric preparation from greige to ready-for-dyeing stage ahead of printing.

The in-house fabric processing unit handles pre- and post-treatment, including coating, steaming and washing, taking greige fabric through to finished printed material within one integrated setup. Water-recycling systems support more sustainable operation, and the infrastructure covers polyester, cotton, viscose and blended fabrics alongside design development and final printing.

Milestones that Shaped True Colors

OUR JOURNEY

Over the years, True Colors has expanded its capabilities in response to the changing needs of digital textile printing.

Each stage of the journey has added a new capability to the business, taking it from printing services and trading to manufacturing, technology partnerships and a broader digital printing platform.

2013
The Beginning

Founded by four engineers, True Colors began with sublimation printing as a pure service model, operating at an initial capacity of 400 metres per day. This established the Company's early understanding of digital textile printing and its applications.

2015
Entering Machine Trading

The Company expanded beyond printing services into digital printing machine trading, adding technology distribution to its operations and moving closer to the equipment requirements of textile printers.

2016
Adding Ink Supply

True Colors commenced ink supply as an importer, initially supplying around 3–5 tonnes per month. This marked its entry into the recurring consumables side of the digital printing ecosystem.

2018
Establishing Paper Manufacturing

The Company launched its sublimation paper plant, with an initial capacity of 15 lakh metres per month. Bringing a critical printing input into its own manufacturing operations expanded its capabilities beyond trading and services.

2021
Bringing Businesses Under One Umbrella

True Colors Private Limited was incorporated, bringing the Company's different businesses under one entity and creating the organisational foundation for integrating its printing, trading and manufacturing activities.

2022
Expanding The Technology Portfolio

The Company secured OEM authorisations from Konica Minolta, ITTEN and Pengda, strengthening its presence in digital textile printing machinery and broadening the range of technologies it could offer customers.

2023
Expanding Integrated Operations

True Colors secured an OEM authorisation from Skyjet and expanded its integrated operations into digital printed fabrics and related processing. Its printing capacity reached 40,000 metres per day, while sublimation paper capacity crossed 1 crore metres per month.

2024
Completing The OEM Portfolio

The Company added Hopetech Digital to its OEM portfolio, taking the number of active machine brands to five and further broadening its technology offering to the digital textile printing market.

2025
Entering The Listed Phase

True Colors marked a new phase with its BSE SME listing. During the year, sublimation paper capacity was scaled to 2 crore+ metres per month, while digital fabric printing capacity expanded to 75,000 metres per day.

2026 & Beyond
Expanding Into In-House Ink Manufacturing

The Company is progressing towards its next capability addition through the planned merger of Inkia Inks, which is intended to establish in-house ink manufacturing. It has also entered into a strategic partnership with ITACA, Spain, for premium pigment inks, extending its capabilities within the consumables portfolio.

An Integrated Production Base

MANUFACTURING INFRASTRUCTURE

Our manufacturing infrastructure brings multiple stages of digital textile printing under one operating environment. Its 2,00,000 sq. ft. facility houses capabilities spanning sublimation paper manufacturing, digital fabric printing and supporting textile processing, enabling greater control over production, quality and turnaround. The facility is designed to support the Company's growing operating scale while maintaining integration across critical stages of the printing process.

Multiple Capabilities, One Production Environment

The Company's manufacturing base brings together dedicated capabilities for sublimation paper manufacturing, digital fabric printing, stentering, loop and washing, paper-coating chemicals and dyeing. A dedicated design studio further supports the digital printing operations.

This integrated setup enables multiple stages of fabric preparation, printing and processing to be undertaken within the Company's operating environment. Its digital printing capabilities cover sublimation, reactive, position, double-side, fluorescent and foil printing, across polyester, cotton, viscose and blended fabrics. The Company also undertakes greige-to-RFD processing, extending its ability to provide prepared and printed fabric solutions.

Capacity Built For Growing Demand

The manufacturing infrastructure combines meaningful installed capacity across both sublimation paper and digital fabric printing.

Sublimation Paper

24 cr metres/year
Installed capacity

12.45 cr metres
FY26 production

52%
Capacity utilisation

Digital Fabric Printing

2.74 cr metres/year
Installed capacity

2.05 cr metres
FY26 production

74.82%
Capacity utilisation

The available capacity provides room to accommodate higher volumes as demand develops, while the digital fabric printing facility supports both the Company's own printing requirements and job-work opportunities.

Quality At Every Stage

In-house manufacturing and processing provide greater control over production parameters and consistency across key stages. This is supported by systems covering quality management, environmental management and occupational health and safety, with certifications under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

ISO 9001:2015 | ISO 14001:2015 | ISO 45001:2018

OEKO TEX® STANDARD 100 | Global Recycled Standard

Powering Responsible Production

The manufacturing facility is supported by a 2 MW+ rooftop solar plant, enabling renewable energy to contribute to the Company's power requirements. The installation forms part of the Company's efforts to incorporate energy efficiency and renewable power into its manufacturing operations.

Close to India's Textile Hubs

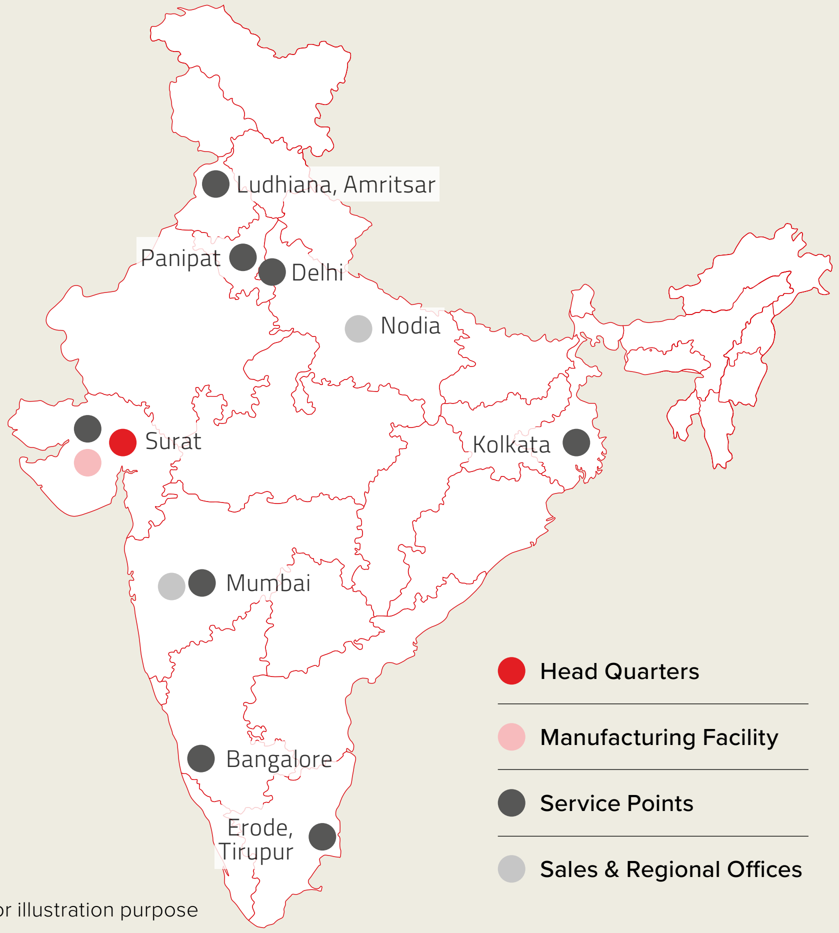
GEOGRAPHICAL FOOTPRINT

India's principal textile manufacturing clusters shape the Company's service network, bringing technical support and customer proximity closer to key markets.

With a presence across major textile hubs in the North, West, South and East, the network supports service responsiveness and continuity as digital printing gains wider adoption.

Service Network / Key Textile Hubs

NORTH	WEST	SOUTH	EAST
Delhi NCR	Surat (HQ)	Tirupur	Kolkata
Ludhiana	Mumbai	Erode	Varanasi
Amritsar			
Panipat			

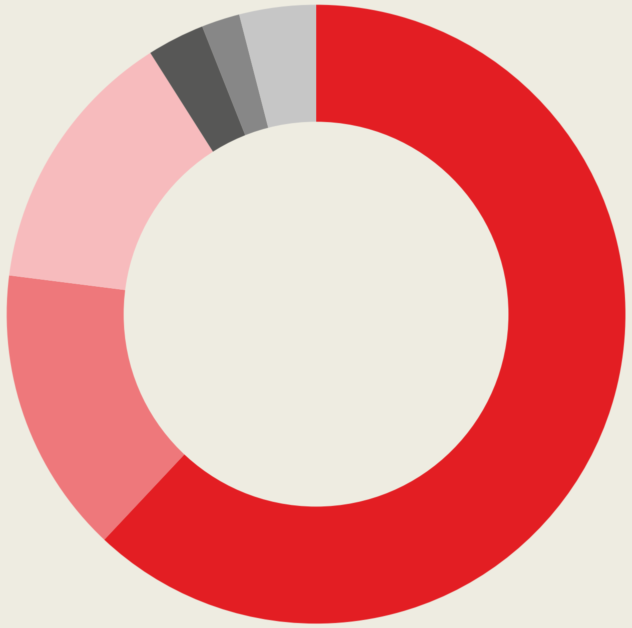


Map not to scale, only for illustration purpose

60+
Dedicated Service Engineers

10
Presence Across Cities

REVENUE BY STATE (FY26)



62% Gujarat	**3%** Tamil-Nadu
15% Maharashtra	**2%** Haryana
14% Punjab	**4%** Others

Our State-of-the-art facility at **Vesma, Navsari**

Growing With India's Digital Shift

In-house digital fabric printing capacity was expanded to 75,000 metres per day, generating direct revenue while serving as a live centre where prospective buyers can see our machines at work.

MESSAGE FROM THE MD

Dear Shareholders,

It is a privilege to write to you as True Colors completes its first year as a listed company, and to reflect on a period that tested and affirmed the way we have chosen to build this business. The financial year 2025-26 was one in which the strength of our model came through clearly in its results.

From our earliest days, we set out to be more than a supplier of any single product. We are, at once, a distributor of machines, a manufacturer of inks and paper, and a provider of printing services, and it is this integration, built deliberately over more than a decade, that shapes both who we are and how we grow.

The Industry Context

The opportunity we serve is only beginning to unfold. Digital printing accounts for an estimated 7 to 8% of textile printing in India today, against 80 to 95% in developed markets, and the global digital textile printing market is expected to grow at a compound annual rate of about 14% between 2025 and 2030. The transition from conventional screen printing to digital is a structural one, not a passing cycle, and India stands near the beginning of that journey. We built True Colors to supply the infrastructure this shift will demand, and the year under review has only reaffirmed the length of the runway ahead of us.

Financial Performance

Revenue from operations rose 29.22% to ₹ 301.55 crore, from ₹ 233.37 crore in the previous year. EBITDA stood at ₹ 46.98 crore and profit after tax at ₹ 31.16 crore. Our EBITDA margin eased to 15.58% from 17.52%, a movement that reflects a shift in our revenue mix. The year carried a higher share of machinery sales, which operate at the slimmer margins standard to that part of the business.

We initiated the planned merger of Inkia Inks and entered a strategic partnership with Itaca of Spain for premium pigment inks.

We regard this as a deliberate investment rather than a dilution, since every machine we place widens the base of recurring, higher-margin consumable revenue we earn in the years that follow. This is already evident in our revenue composition, with recurring income from ink, sublimation paper and spares reaching 50.25% of total revenue during the year.

Performance Across the Verticals

Our three verticals moved at different speeds this year, and together they tell a single story. Technology, comprising machinery and its distribution, grew over 155% to ₹ 60.94 crore as we installed 109 machines. Digital printing services grew close to 35% to ₹ 89.09 crore, running at healthy utilisation for a make-to-order operation. Consumables, our recurring engine, contributed ₹ 151.52 crore. What holds these numbers together is customer retention. Once installed, a machine remains tied to our ink through its warranty, its approved colour profiles and the service relationship around it, so each installation marks the beginning of a lasting consumable relationship rather than a one-time sale. Our base of more than 900 active machines is the floor from which that recurring revenue continues to build.

Strengthening the Ecosystem

To serve a growing installed base, we invested across the ecosystem during the year. Sublimation paper capacity was scaled to 2 crore metres per month, reinforcing our standing as the only commercial-scale domestic manufacturer of sublimation paper in India, a product the market had long relied on imports to supply. In-house digital fabric printing capacity was expanded to 75,000 metres per day, generating direct revenue while serving as a live centre where prospective buyers can see our machines at work. Supporting these capacities is a nationwide service network across India's major textile centres, which keeps technical assistance and consumable supply close to our customers and their production. Our operations are certified to ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Integrating Backward, Partnering Forward

A defining step of FY26 was our decision to bring ink manufacture into the group. Consumables sit at the centre of our recurring revenue, and inks were the one consumable we had still been sourcing externally. To close that gap, we initiated the planned merger of Inkia Inks and entered a strategic partnership with Itaca of Spain for premium pigment inks. Together, these give us tighter control over the quality, cost and supply of a product our customers depend on daily, and they complete a pattern that has guided the Company since 2013, where each business we entered answered a need our own customers were already facing.

The Road Ahead

The opportunity before us is clear, and so is the work required to realise it. In the year ahead, we will widen our installed base, deepen the manufacture of our consumables, and continue investing in the service network that keeps our customers productive. Backward integration into inks will be a particular focus, alongside the steady scaling of our paper and printing capacities in step with demand. We remain mindful of the challenges that accompany a growth path such as ours. Competition is intensifying, input costs and currency movements bear on our margins, and textile demand carries a seasonality we manage each year. We intend to meet these with the same discipline and customer focus that have carried us this far, confident that our integrated model affords a resilience that single-vertical players cannot easily match.

Acknowledgements

The progress of this year has been a shared effort. I am grateful to our customers, whose confidence anchors everything we build; to our OEM partners and suppliers, who extend our reach; and to our employees, whose commitment turns intent into execution. To you, our shareholders, I offer my sincere thanks for the trust you have placed in True Colors. We are building an enterprise meant to create lasting value, and I look forward to sharing the chapters still to come.

Warm Regards,

Sanjay Desai
MANAGING DIRECTOR

The Investment Perspective

INVESTMENT CASE

India's digital textile printing market is still at an early stage of adoption, while the shift towards shorter runs, greater customisation and more efficient production is creating room for digital alternatives to gain share.

Within this transition, True Colors combines an integrated presence across the printing value chain with an installed base that creates recurring demand for consumables and services.

A Structural, Decade-Long Market Transition

7–8%
India's current digital penetration

80–95%
Europe's digital penetration

13.83%
Global market CAGR, 2025–30

India's digital textile printing journey is still in its early stages, leaving considerable headroom for adoption. The shift is being supported by the need for shorter production runs, faster sampling, greater design flexibility and customisation, alongside growing emphasis on water efficiency and more sustainable production practices. The opportunity therefore extends beyond a cyclical increase in printing volumes to a broader change in the way textiles are produced and printed.

A Distinct Position in India's Printing Ecosystem

ZERO
Equivalent ecosystem competitors in India

3
Verticals: Technology, Consumables and Digital Printed Fabrics

900+
Active machines in the installed base

The Company's presence spans technology, consumables and digital printed fabrics, allowing it to participate across multiple stages of the digital textile printing process. Its machine distribution relationships, consumables portfolio and printing capabilities create a connected offering that is difficult to replicate through a single product or service. The installed machine base further extends this position by creating an ongoing relationship with customers beyond the initial equipment sale.

A Compounding Revenue Engine

₹301.55 CR
FY26 Revenue

15.58%
FY26 EBITDA Margin

50.25%
Recurring Revenue Ratio (FY26)

Every machine installation can create a continuing requirement for inks, sublimation paper, spares and technical support over its operating life. As the installed base expands, this recurring opportunity grows alongside the Company's technology business. Further capacity in sublimation paper and the planned move towards in-house ink manufacturing can add depth to this revenue pool, giving the existing customer base greater economic relevance over time.

The opportunity ahead is shaped by a combination of market headroom, an integrated offering and a growing installed base. As digital printing adoption increases, the Company's presence across technology, consumables and digital printed fabrics allows it to participate across multiple stages of the value chain. The expanding machine base further creates opportunities for recurring consumables and service revenues, while manufacturing capabilities add scope to deepen customer relationships over time.

The Recurring Revenue Engine

OUR BUSINESS MODEL

The Company operates an integrated business model in which the sale of a single machine begins a lasting relationship of recurring consumable demand. Each installation generates continuing purchases of ink, sublimation paper and spares, and as the installed base widens, the recurring revenue it supports grows alongside it. The three activities of the business are built to reinforce one another, so that progress in any one strengthens the others.

01. What the Business Does

Three Verticals, One Platform

The business runs on three verticals that operate as a single platform. Machinery is the entry point, the equipment that goes on to consume the Company's ink and paper. Consumables are the recurring layer, the inputs every installed machine needs to keep printing. Printing services form the third, earning direct revenue while showing prospective buyers the technology at work. Through one supplier, a customer can meet every requirement of a digital printing operation.

Technology

Machines

Distribution, installation and service of digital printing machines, as authorised partner to five global manufacturers.

Consumables

Ink & Paper

In-house sublimation paper and a growing ink range, the recurring inputs machines consume day to day.

Printing Services

Digital Printed Fabrics

A large-scale printing facility that earns direct revenue and doubles as a live demonstration centre.

02. How it Compounds

Each installation begins a cycle that renews itself. A machine sale establishes a warranty tied to the Company's ink, which leads into steady, repeat orders for consumables over the machine's working life. As print heads approach replacement, that need opens an upgrade discussion and the placement of the next machine, returning the cycle to its start.

900+

Machine in the Field

Each Installation adds a permanent monthly base of ink and paper demand.

2 to 3 Years

Print-Head Life Cycle

Replacement opens an upgrade discussion that places the next machine.

50.25%

Recurring Revenue Share

Share of FY26 revenue from ink, sublimation paper and spares.

STEP 01

Machine Installed

A digital textile printer is sold and commissioned at the customer's facility.

STEP 02

Warranty Activated

Cover on print heads, electronics and spares is tied to the Company's ink; changing ink voids it.

STEP 03

Recurring Orders Begin

The customer orders ink and paper through the year, calibrated to their machine and designs.

STEP 04

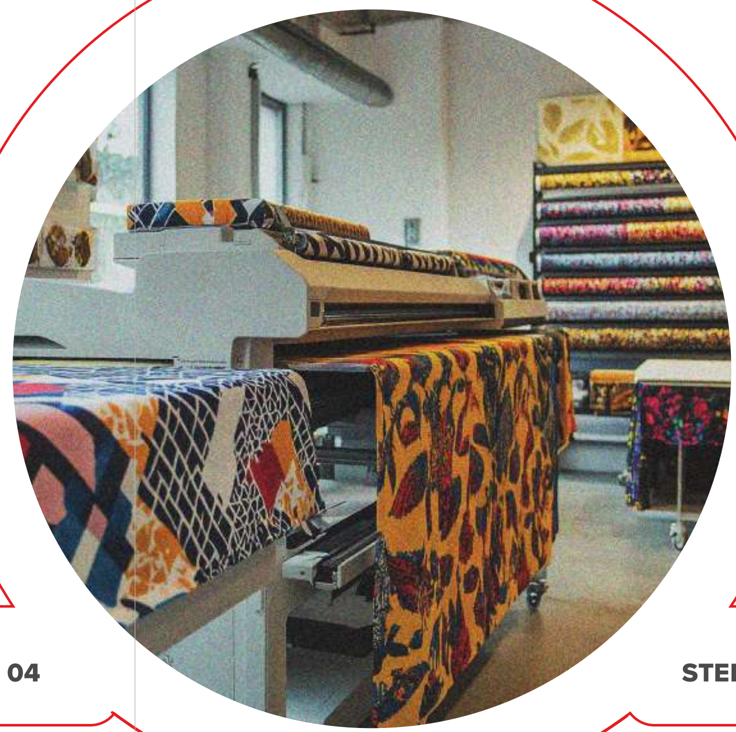
Colour Locked In

Make-to-order printing ties approved designs to a specific ink, so repeat runs stay with it.

STEP 05

Service & Upgrade

Spares, support and print-head replacement extend the relationship beyond the warranty.



Print-head replacement, at roughly two to three years, opens an upgrade discussion that restarts the cycle at **Step 01.*

03. Why The Customers Stay

Three Interlocking Dependencies

Once a machine is in production, three factors keep the customer buying the Company's consumables rather than switching.

Warranty Linkage

The machine warranty on print heads, electronics and spares is tied to the Company's ink. Changing supplier voids it, turning every machine sale into a committed ink relationship.

Colour Consistency

Printing is make-to-order, with designs approved against a defined ink and paper combination. A change of ink shifts colour tone, so repeat orders cannot be reproduced with another supplier.

Service & Parts

After the warranty, dependence shifts to service. Support, engineering visits and spare parts stay within the same relationship, and the team's knowledge of each installation makes switching disruptive at any stage.

04. What the Model Produces

Two Revenue Characters

The model generates revenue of two distinct characters, one won afresh each year, the other recurring from the base already installed.

Transactional

49.75%

Machine sales and printed-fabric orders, won afresh each year at the segment's standard margins.

Recurring

50.25%

Ink, sublimation paper and spares consumed by the installed base, higher-margin and repeat by nature. In FY26 this half of revenue did not depend on winning a new sale.

The Next Stage

Deepening the Model

The model has a further stage. Most ink is currently imported and distributed, which earns a distribution margin. Bringing ink into in-house manufacture raises the margin on the recurring base itself.

Wider base | Volume

More machines, more recurring revenue

Each new installation adds a permanent consumer of ink, paper and spares, so the installed base and the revenue it generates rise together.

Backward Integration | Margin

In-house ink under INKIA

Moving ink into own manufacture under the INKIA brand, with the ITACA partnership adding premium pigment inks, lifts the margin earned on the recurring base.

Scaling With Discipline

KEY PERFORMANCE INDICATORES

FY26 demonstrated how the Company's integrated model is built to grow. Machine installations, consumable supply and printing services advanced together through the year, and the widening installed base continued to feed the recurring revenue that gives the business its stability.

Stronger top-line growth came alongside a deliberate shift in mix, as a larger contribution from machinery sales moderated margins while broadening the consumable base that supports them.

Revenue From Operations (In ₹ Crores)

₹302 Cr

2026	**302**
2025	233
2024	160

Gross Profit (In ₹ Crores)

₹82 Cr

2026	**82**
2025	65
2024	30

EBITDA (In ₹ Crores)

₹47 Cr

2026	**47**
2025	41
2024	14

Profit After Tax (In ₹ Crores)

₹31 Cr

2026	**31**
2025	25
2024	8

Gross Margins (In %)

27%

2026	**27%**
2025	28%
2024	19%

EBITDA Margins (In %)

16%

2026	**16%**
2025	18%
2024	9%

ROCE (In %)

22%

2026	**22%**
2025	36%
2024	19%

ROE (In %)

16%

2026	**16%**
2025	44%
2024	56%

Paper Volume (In Crore Metres)

12 Cr Mtrs

2026	**12**
2025	9
2024	4

Ink Volume (In Tonnes)

1,140 Tn

2026	**1,140**
2025	957
2024	691

Fabric Volume (In Lakhs Metres)

205 Lkh Mtrs

2026	**205**
2025	132
2024	28

New Machine Installations (In #)

109

2026	**109**
2025	89
2024	102

Building The Next Phase

OUR ROADMAP

The next phase is centred on extending capabilities that are already established within the business. The priorities span deeper manufacturing integration, fuller utilisation of existing infrastructure and continued expansion of the Company's installed technology base. Alongside these core initiatives, selective entry into adjacent digital printing categories can broaden the applications served by the business.

FROM EXISTING STRENGTHS TO NEW OPPORTUNITIES

The roadmap builds progressively on capabilities already developed across technology, consumables and printing services. Greater manufacturing integration can add depth to the consumables portfolio, higher utilisation can unlock the potential of existing infrastructure, while a larger installed base can support recurring customer engagement. Together, these initiatives provide multiple routes to extend the Company's presence as digital printing adoption continues to develop.

1

Moving Towards In-House Ink Manufacturing

The planned integration of INKIA Inks marks a shift from supplying inks through distribution towards developing an in-house manufacturing capability. The initiative is intended to provide greater control over product development and supply, while creating a platform that can support the Company's existing textile printing customers and future applications across digital printing.

150 TPM
FY27 Phase 1

500 TPM
FY28 Phase 2

1,000 TPM
Long-term potential

2

Driving Greater Utilisation of Paper Capacity

The expansion of sublimation paper manufacturing has created additional headroom within an established product category. The focus ahead is to progressively increase utilisation through deeper customer engagement and growing demand for sublimation printing, allowing the existing manufacturing platform to contribute more meaningfully as the market develops.

2 CR METRES/ MONTH
Current installed capacity

51.88%
FY26 utilisation

3

Expanding the Installed Technology Base

Machine installations remain an important part of the Company's route into the digital printing market. The focus is increasingly on higher-capacity machines and deeper customer relationships, with each new installation creating an opportunity to supply the associated consumables, technical support, spares and services over the machine's operating life.

900+
Active machines

100+
FY27 installation target

109
Machines installed in FY26

4

Extending Into Adjacent Printing Categories

The Company has begun extending its technology distribution capabilities beyond textile printing into commercial printing, label printing and flexible packaging. The initial portfolio includes web-to-sheet and sheet-fed book printing machines, digital and embellishment printing solutions, die-cutting equipment and packaging printing machines. The expansion allows existing technology and distribution capabilities to be applied across a wider set of digital printing applications.

COMMERCIAL PRINTING
Web-to-sheet and sheet-fed solutions

LABEL PRINTING
Digital, embellishment and die-cutting solutions

FLEXIBLE PACKAGING
Packaging printing solutions

Leadership & Oversight

BOARD OF DIRECTORS

True Colors is guided by a Board that brings together long-standing experience in digital textile printing and business operations with expertise across finance, taxation, audit, cost management and regulatory matters.

The Company's founding leadership continues to be closely involved in its operations, while the Independent Directors bring specialised perspectives to Board deliberations and oversight.


1


2


3


4


5


6


7

1. Mr. Ashish Mulani

CHAIRPERSON AND EXECUTIVE DIRECTOR

With over 12 years of experience in the digital textile printing industry, Mr. Ashish Mulani has been associated with the Company's business since its earlier operating phase.

Prior to the establishment of True Colors Limited, he was the proprietor of True Colors Impex. As Chairperson and Executive Director, he is responsible for workflow management, execution and business development across the Group. He is also certified in AutoCAD 2D and 3D.

2. Mr. Sanjay Desai

MANAGING DIRECTOR

Mr. Sanjay Desai brings over 12 years of experience in the digital textile printing industry, with experience spanning sales and marketing.

Prior to the establishment of True Colors Limited, he was a partner at True Colors Print. He holds a B.Tech in Mechatronics Engineering from Ganpat University and has been appointed Chairman of the Laser and Screen Printing Committee of the South Gujarat Chamber of Commerce and Industry, reflecting his engagement with the wider printing industry.

3. Mr. Sagar Mulani

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

With over 12 years of experience in the digital textile printing industry, Mr. Sagar Mulani is responsible for financial planning, budgeting and fund management. He also oversees the Company's sublimation paper manufacturing and media coating technology division, with responsibility for product consistency and quality.

Prior to joining True Colors Limited, he was a partner at True Colors Print. He holds a B.E. in Electronics and Communication from Veer Narmad South Gujarat University and has completed certificate courses in Financial Analysis and Digital Innovations in the Financial System from upGrad.

4. Mr. Satish Panchani

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Satish Panchani brings more than a decade of experience in the textile industry and serves as the Company's Chief Executive Officer and Executive Director.

Appointed as CEO in February 2025, he is responsible for workflow management, execution and business development, with a focus on integrating processes across the organisation. Prior to joining the Company, he was the proprietor of Fresa Fashion. He holds a B.E. in Electronics and Communication from Veer Narmad South Gujarat University and an M.Sc. in Electronics Engineering from Hochschule Bremen University of Applied Sciences, Germany.

5. Ms. Charmi Soni

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Ms. Charmi Soni brings experience in secretarial, legal and compliance matters, with a focus on corporate governance and regulatory requirements.

She holds a degree in Company Secretary from the Institute of Company Secretaries of India and a B.Com from Veer Narmad South Gujarat University. She currently serves as Company Secretary and Compliance Officer at Khemani Distributors and Marketing Limited, a BSE SME-listed company, and has over two years of experience in legal and secretarial matters.

6. Mr. Bhavesh Singapuri

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr. Bhavesh Singapuri brings more than 16 years of experience across project financing, debt syndication, financial planning and analysis, accounts and bookkeeping, direct and indirect taxation, audit, governance compliance and fraud detection.

A co-founder and Senior Partner at KBDP & Co. since 2008, he holds a B.Com and LLB from Veer Narmad South Gujarat University and is a Chartered Accountant. He has also completed DISA from ICAI, a concurrent audit certification and a Lean Six Sigma Green Belt Executive Course, and has attended an international workshop on forensic accounting and fraud investigation.

7. Mr. Nanty Shah

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr. Nanty Shah has more than 13 years of experience as a Cost Consultant and Cost Auditor.

He is a partner at Nanty Neetu & Co. and holds a Cost and Works Accountant qualification from the Institute of Cost and Works Accountants of India. His professional experience provides the Board with specialised knowledge in cost management and related financial matters.

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

The global economy proved resilient through 2026, absorbing significant shocks even as growth eased from the pace of the preceding two years. World output is projected to expand by 3.0% in 2026 and 3.4% in 2027, down from the 3.5% average recorded across 2024 and 2025. Growth is being shaped by two opposing forces: the supply shock arising from conflict in the Middle East, which has weighed on energy-importing and vulnerable economies, and a demand-led upswing in the global technology cycle driven by investment in artificial intelligence.

Advanced economies are expected to record only modest expansion, while emerging market and developing economies are projected to grow by 3.8% in 2026, with India remaining among the fastest-growing major economies and China's momentum easing towards 4.6%. Global headline inflation is projected to edge up to 4.7% in 2026 as the earlier disinflation trend paused, keeping central banks cautious and slowing the pace of monetary easing across most jurisdictions. Trade policy has remained a central source of uncertainty, with shifting tariff regimes and wider geopolitical fragmentation influencing investment and supply-chain decisions worldwide. Persisting geopolitical tensions, elevated public debt and the risk of renewed trade frictions continue to temper the outlook, even as resilience in private consumption and services, together with easing financial conditions in several economies, lends a measure of stability.

Source: IMF, World Economic Outlook Update, July 2026

INDIAN ECONOMY

India retained its position as the fastest-growing major economy during the year under review, with real GDP estimated to have grown by 7.7% in FY2025-26 under the revised 2022-23 base-year series, up from 7.1% in FY2024-25, supported by a 7.8% expansion in the fourth quarter. Nominal GDP is estimated to have grown by close to 9%, with manufacturing and services acting as the principal drivers and private consumption and fixed investment each expanding by more than 7.5%. Growth was underpinned by resilient domestic demand, sustained government capital expenditure and easing inflation, even as global trade uncertainty and external tariff pressures posed headwinds. Retail inflation moderated over the course of the year, creating room for a more accommodative monetary stance and supporting household consumption. The external position remained broadly stable, while continued policy emphasis on infrastructure, domestic manufacturing and the formalisation of the economy lent further support to activity. Official estimates place growth for FY2026-27 in a range of 6.8% to 7.2%, indicating continued, if moderating, momentum into the coming year.

Source: MoSPI, Provisional Estimates of Annual GDP FY2025-26 (June 2026); RBI; Economic Survey 2025-26.

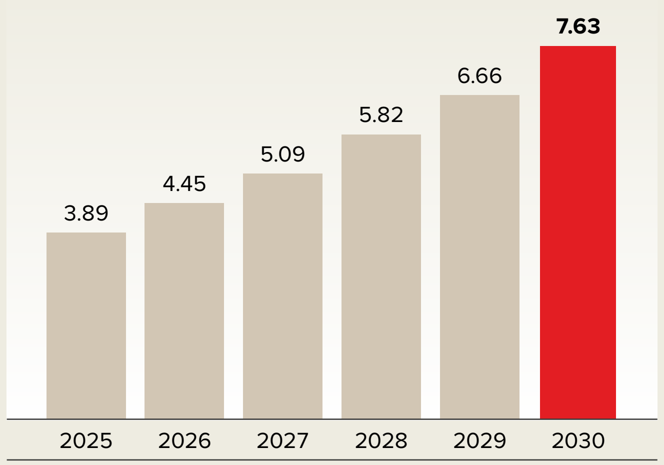
INDUSTRY OVERVIEW

Global Digital Textile Printing

Digital textile printing remains one of the fastest-expanding segments of the wider textile printing industry, as brands and manufacturers move away from conventional screen and rotary printing towards on-demand, design-flexible and water-efficient production. The global market was valued at USD 3.89 billion in 2025 and is forecast to reach USD 14.13 billion by 2035, growing at a compound annual growth rate of 13.77%, with the market estimated at USD 4.45 billion in 2026. Growth is being propelled by the rise of mass customisation and fast fashion, shorter production cycles, and a pronounced shift towards sustainable, low-water printing methods. Technological progress has been rapid, with single-pass systems now operating at speeds of 90 to 100 linear metres per minute, compressing design-to-shelf lead times from weeks to days. By ink type, sublimation continues to account for the largest share of consumption, while direct-to-fabric remains the dominant printing process; apparel and home décor together represent the bulk of end-use demand. Asia-Pacific remains the centre of gravity for the industry, reflecting its concentration of textile manufacturing capacity and accelerating adoption of digital technologies.

GLOBAL DIGITAL TEXTILE PRINTING

(USD billion)



Source: Precedence Research, Digital Textile Printing Market (updated January 2026).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

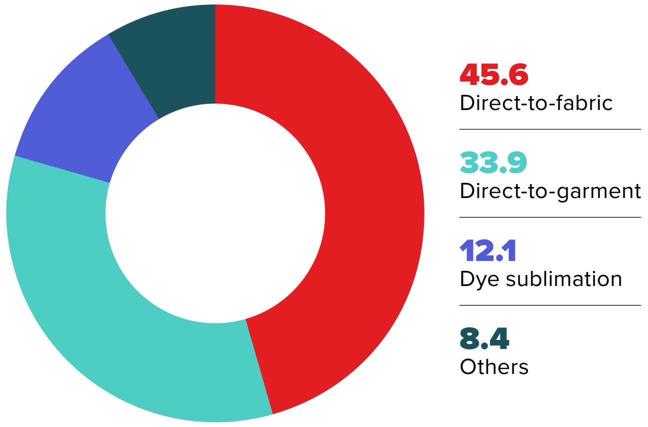
Indian Digital Textile Printing

Within the Asia-Pacific region, India has emerged as a key growth market for digital textile printing, with the domestic market projected to expand at a compound annual growth rate of about 13% between 2023 and 2033, underpinned by the strength of the country's textile sector and its established mill clusters. India already hosts over 1,000 digital fabric printing units, a base expected to widen considerably over the forecast period. The rapid adoption of dye-sublimation printing on polyester, at printing speeds of 15,000 to 20,000 square metres per day, has been a significant driver, supported by the technology's cost-efficiency, durability and quick turnaround relative to conventional methods. Demand is further reinforced by integrated textile hubs such as Surat, Tiruppur and Ludhiana, and by a younger, design-oriented consumer base favouring customised and fast-moving fashion. Direct-to-fabric leads the domestic printing-process mix, while the higher capital cost of digital machinery relative to traditional printing, and the need for skilled operators, remain adoption challenges that the industry is progressively addressing.

Source: Textile Insights, India's Digital Textile Printing Market (2023-2033)

DIGITAL TEXTILE PRINTING BY PRINTING PROCESS

(% of Share)



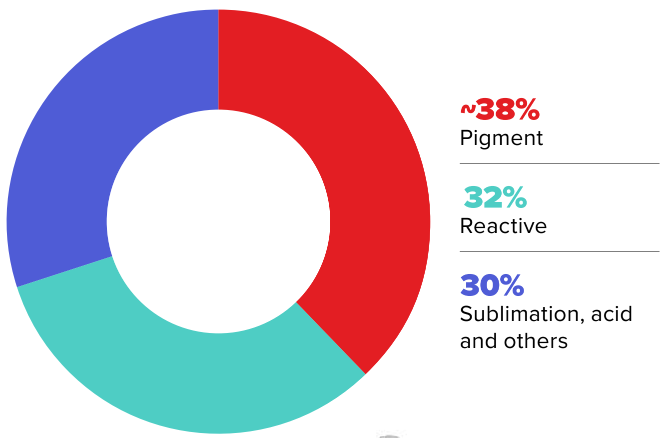
Digital Printing Inks Market Overview

Inks are a recurring consumable integral to the digital textile printing value chain, and the digital textile printing ink market has grown in step with printing adoption. The global market was valued at approximately USD 1.4 billion in 2025 and is projected to reach around USD 3.0 billion by 2032, at a compound annual growth rate of about 11%. Pigment inks account for the largest share of consumption, followed by reactive and sublimation inks, while water-based and eco-friendly formulations are gaining ground as regulatory pressure on emissions and effluent intensifies. Asia-Pacific is the fastest-growing regional market, led by China and India, reflecting the region's dominant textile manufacturing base and rising demand for customised and printed household and apparel textiles. A defining feature of the Indian market is its heavy reliance on imported inks, predominantly from China and Japan, which exposes domestic converters to currency and supply-chain volatility and has created a clear opportunity for import substitution through local manufacture. Pigment inks, which require no pre- or post-treatment of fabric, are increasingly favoured in home furnishing and technical-textile applications where heavier substrates are printed directly.

Source: Precision Business Insights, Digital Textile Printing Ink Market (2025-2032); Market Research Future.

DIGITAL TEXTILE PRINTING INK BY TYPE

(% of Share)



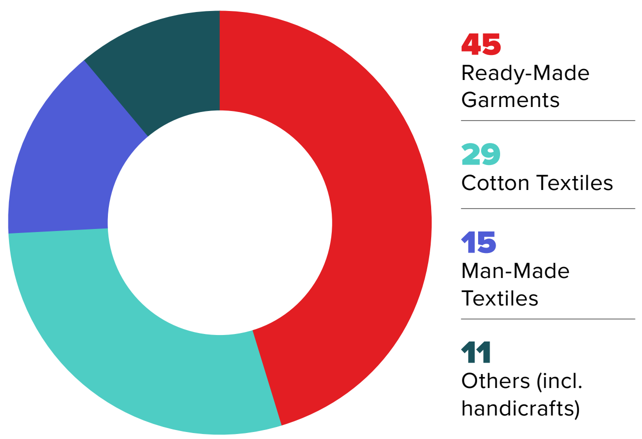
Indian Textile and Apparel Industry

The digital textile printing sector draws its underlying demand from India's broader textile and apparel industry, one of the largest contributors to the national economy and to employment. The industry was valued at approximately ₹16.66 lakh crore in FY2025-26 and is targeted to reach USD 350 billion by 2030, supported by rising domestic consumption, urbanisation and a growing export base. Exports of textiles and apparel, including handicrafts, stood at about USD 35.5 billion in FY2025-26, with ready-made garments, cotton textiles and man-made textiles the leading contributors, while the technical-textiles segment is projected to reach USD 45 billion by 2026. Policy support remains substantial: 100% foreign direct investment is permitted under the automatic route; the Union Budget 2026-27 allocated about ₹5,279 crore to the Ministry of Textiles; and the Production-Linked Incentive Scheme for man-made-fibre apparel, fabrics and technical textiles carries an approved outlay of ₹10,683 crore, having drawn investment of over ₹8,100 crore across 170 approved companies by March 2026. Additional momentum is being provided by the PM MITRA mega textile parks, the India-UK Free Trade Agreement granting duty-free access to a large share of Indian textile exports, and continued support through schemes such as SAMARTH and the Amended Technology Upgradation Fund Scheme. Together, these factors are expanding the base of fabric production and printing on which digital textile printing demand ultimately rests.

Source: IBEF, Indian Textiles and Apparel Industry (February 2026); Ministry of Textiles; Union Budget 2026-27

TEXTILE AND APPAREL EXPORTS MARKET SHARE (FY 2025-26)

(% of Share)



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

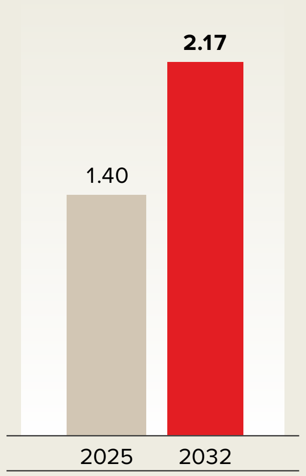
Sublimation Paper

Sublimation paper is the transfer medium that carries dye-sublimation inks onto polyester fabrics and coated substrates, and its demand is closely tied to the growth of dye-sublimation printing. The global sublimation paper market was valued at about USD 1.4 billion in 2025 and is expected to reach around USD 2.17 billion by 2032, growing at a compound annual growth rate of roughly 6.4%, with the textile industry the single largest consumer and Asia-Pacific the fastest-growing region. Buyers increasingly assess paper on grammage, coating uniformity, ink-release efficiency and runnability, while lightweight, lower-GSM and recyclable grades are gaining share as converters seek to reduce cost and waste.

Source: Research and Markets, Sublimation Paper Market (2026-2032)

GLOBAL SUBLIMATION PAPER MARKET

(USD billion)



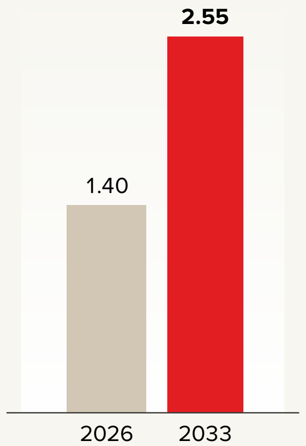
Digital Textile Printing Machinery and Equipment

Digital textile printers and associated hardware form the capital-equipment layer of the printing value chain. The broader digital printing machine market was estimated at around USD 1.4 billion in 2026 and is projected to reach about USD 2.55 billion by 2033 at a compound annual growth rate of close to 9%, with Asia-Pacific accounting for roughly half of global demand. Equipment development is being shaped by single-pass and high-speed roll-to-roll systems, tighter environmental standards on inks and effluent, and a steady transition from analog screen printing towards variable-data inkjet platforms, all of which are lowering the effective cost of digital adoption for textile manufacturers.

Source: Wenkh Research, Digital Printing Machine Market (2026); Mordor Intelligence.

GLOBAL DIGITAL PRINTING MACHINE MARKET

(USD billion)



COMPANY OVERVIEW

Built over more than thirteen years around a single integrated ecosystem, True Colors Limited brings together the distribution of high-end digital textile printing machines and compatible inks, the in-house manufacture of sublimation paper, and customised printing services and printed fabrics. Headquartered in Surat, we serve textile manufacturers, export houses, apparel brands and fabric traders across India, and act as authorised distributor for leading global printer brands including Konica Minolta, Hopetech, Itten, Pengda and Skyjet. The Company has built an installed base of over 900 active machines and a model in which every machine placement generates recurring demand for inks, sublimation paper, spares and service. During FY2025-26 the Company recorded revenue from operations of ₹301.55 crore, EBITDA of ₹46.98 crore and profit after tax of ₹31.16 crore, having listed on the BSE SME platform in 2025 and advanced plans to bring ink manufacture in-house under the INKIA brand. This integrated, ecosystem-based approach positions True Colors as an end-to-end partner within India's expanding digital textile printing landscape.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

BUSINESS SEGMENT AND OPERATIONAL OVERVIEW

The Company operates across three business verticals: the distribution of digital textile printing machines and inks, the manufacture of sublimation paper, and digital textile printing services. These verticals are closely connected, as the sale of a printing machine creates continuing demand for inks and sublimation paper, while the wider consumables base also supports the Company's own printing operations. This integrated structure gives the business a sizeable recurring revenue stream and supports strong customer retention. During FY2025-26, the recurring portion of revenue, comprising inks, sublimation paper and spares, accounted for roughly half of total revenue, and the installed base of machines crossed 900 units. To this established structure, the Company is now adding in-house ink manufacture under the INKIA brand, which will operate as a fourth vertical over the coming periods. Performance across the verticals during the year is set out below.

Machinery and Ink Supply: Machine placements for the year totalled 109 units, up from 89 in the previous year, and although unit growth was moderate, revenue from this vertical grew by over 155% year-on-year on the back of a deliberate shift towards higher-value, higher-capacity installations. Ink volumes rose to 1,140 tonnes, an increase of about 19%, though a portion was strategically bundled with machine placements to deepen customer engagement, and average realisations softened during the year.

Sublimation Paper Manufacturing: Volumes grew to 12.45 crore metres, supported by the expansion of installed capacity to over 2 crore metres per month, of which about 52% was utilised during the year, leaving substantial headroom for growth without further capital deployment. Realisations declined as the average grammage of paper used moved from the 45 to 55 GSM range towards closer to 35 GSM, reflecting a shift in customer mix towards lower-GSM applications.

Digital Textile Printing Services: With in-house capacity of 75,000 metres per day, this vertical continued to contribute meaningfully to overall throughput, offering job-work printing and printed-fabric supply across sublimation, reactive, both-side, position, fluorescent and foil techniques on polyester, cotton, viscose and blended fabrics.

Ink manufacturing initiative

The most significant operational development of the year was the move to bring ink manufacture in-house under the INKIA brand, through a proposed merger with INKIA Inks Private Limited and a strategic partnership with Itaca of Spain for premium pigment inks, marking the Company's backward integration into its highest-margin consumable.

FINANCIAL OVERVIEW

FY2025-26 was a year of broad-based growth, with revenue from operations rising 29.22% to ₹301.55 crore from ₹233.37 crore in the previous year, supported by momentum across all three verticals and a higher contribution from high-end machine installations. EBITDA grew to ₹46.98 crore from ₹40.91 crore, while the EBITDA margin moderated to 15.58% from 17.48%, reflecting the larger share of standard-margin machinery in the revenue mix, softer consumable realisations and the shift towards lower-GSM sublimation paper. Profit after tax rose to ₹31.16 crore from ₹24.69 crore, with the PAT margin holding broadly steady at 10.33%. The year also strengthened the balance sheet, as the funds raised through the public issue improved liquidity and reduced leverage, positioning the Company to support its planned expansion. Operating cash flows were affected during the year by the transition of several MSME vendors to the mandated 45-day payment cycle and by the growing share of Konica Minolta inks supplied on advance-payment terms, both of which raised working-capital requirements; collections were strong in the early months of FY2026-27 and the position has since normalised.

FINANCIAL RATIOS

Particulars		Numerator/Denominator	31 March 2026	31 March 2025	Change in %
(a)	Current Ratio	Current Assets / Current Liabilities	2.02	1.42	42.25%
(b)	Debt-Equity Ratio	Total Debts / Shareholder's Equity	0.25	0.96	(73.96%)
(c)	Debt Service Coverage Ratio	Earning available for Debt Service / Debt Service	0.73	2.86	(74.48%)
(d)	Return on Equity Ratio	Profit after Tax / Average Shareholder's Equity	25.68%	68.62%	(62.57%)
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventories	4.75	4.36	8.97%
(f)	Trade Receivables Turnover Ratio	Total Turnover / Average Trade Receivable	3.60	5.87	(38.70%)
(g)	Trade Payables Turnover Ratio	Total Purchases / Average Trade Payable	4.79	4.18	14.75%
(h)	Net Capital Turnover Ratio	Total Turnover / Average Working Capital	4.96	16.20	(69.40%)
(i)	Net Profit Ratio	Net Profit / Total Turnover	10.33%	10.38%	(0.47%)
(j)	Return on Capital Employed	Earnings before Interest and Taxes / Capital Employed	18.09%	43.41%	(58.33%)
(k)	Return on Investment	Return on Investment / Total Investment	0.00%	0.00%	-

OUTLOOK

Looking ahead, the transition to in-house ink manufacture represents the most significant step in the Company's evolution towards a structurally more profitable business, with phased capacity additions planned under the INKIA brand, beginning with around 150 tonnes per month in FY2026-27 and scaling towards 500 tonnes per month by FY2027-28, and a longer-term target of 1,000 tonnes per month across sublimation, reactive, disperse and pigment inks. This backward integration, aimed at substituting imports and improving consumable margins, is expected to be funded through a combination of internal accruals and bank debt, with the land required already secured. Combined with rising utilisation of the expanded sublimation paper capacity and a compounding recurring-revenue base drawn from a growing installed network of machines, the Company believes it is well positioned to drive sustainable scale and long-term margin expansion, while remaining mindful of working-capital discipline, softer consumable realisations and the inherently lumpy nature of machinery sales.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

RISKS AND CONCERNS

The Company operates in a competitive and evolving industry and is exposed to a range of external and internal risks. A risk-management framework is in place to identify, assess and address these risks on an ongoing basis. The principal risks and the corresponding mitigation measures are summarised below.

Economic and Industry Risk

A slowdown in the wider economy or in the textile and apparel sector could reduce demand for machines, consumables and printing services.

Mitigation: Presence across the full value chain and a large recurring-revenue base provide resilience through demand cycles, while a diversified customer base limits dependence on any single segment.

Competition Risk

The industry is fragmented and competitive, with pricing pressure from domestic and international players.

Mitigation: Continued investment in service, technical support and an integrated product offering helps sustain differentiation and customer retention.

Import Dependence and Foreign Exchange Risk

A significant share of inks and machines is imported, exposing the business to currency movements and supply-chain disruption.

Mitigation: Backward integration into ink manufacture, supplier diversification and closer inventory planning are being pursued to reduce import reliance and currency exposure.

Input Cost and Margin Risk

Movements in raw material prices and shifts in product mix, particularly sublimation paper grammage and the weighting of machinery, can affect margins.

Mitigation: A shift towards higher-margin, in-house consumables and active cost management support margin stability over time.

Technology and Obsolescence Risk

Rapid change in printing hardware and ink chemistry could render existing products or equipment less competitive.

Mitigation: The Company works with leading global manufacturers and continually updates its product portfolio and technical capabilities in line with industry developments.

Working Capital and Credit Risk

The business is working-capital intensive and depends on the timely collection of receivables and balanced vendor credit terms.

Mitigation: Structured credit assessment, monitoring of collections and disciplined working-capital management are applied, with collections having normalised early in FY2026-27.

Project Execution Risk

The planned in-house ink manufacturing project involves capital deployment and timely commissioning.

Mitigation: Phased implementation, secured land and a combination of internal accruals and debt funding are intended to manage project and financial risk.

Human Capital Risk

The loss of key personnel or an inability to attract skilled talent could affect operations.

Mitigation: Decentralised profit-and-loss ownership, standardised systems, training and reduced key-person dependency support business continuity.

Regulatory and Compliance Risk

Changes in laws, taxation, environmental norms or trade policy could affect operations.

Mitigation: Regulatory developments are monitored, and appropriate compliance and governance processes are maintained.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

People remain central to the Company's integrated model, which spans manufacturing, distribution, technical service and printing operations, and building a skilled, scalable and system-driven organisation is a continuing priority as the business expands across verticals and geographies. As on 31 March 2026, the Company employed 963 people across its operations. The Company has been decentralising operational command by giving vertical-specific business heads profit-and-loss ownership and standardised performance measures, so that each division functions as a self-sustaining, growth-oriented unit, while investment in training and digital tools is helping to reduce key-person dependency and support business continuity. Industrial relations remained cordial throughout the year, and we continue to focus on talent development and structured governance to underpin the next phase of growth.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains internal control systems commensurate with the size, scale and nature of its operations, designed to provide reasonable assurance regarding the reliability of financial reporting, the safeguarding of assets, compliance with applicable laws and regulations, and the efficient conduct of business. Policies and procedures are in place to ensure that transactions are properly authorised, recorded and reported, and that assets are protected against unauthorised use or disposition. As part of strengthening these systems, the Company has been investing in digital infrastructure, including production software at its sublimation paper unit and the progressive adoption of enterprise systems, to improve workflow visibility, resource planning and accountability across verticals. The adequacy and effectiveness of the internal controls are reviewed periodically, and observations, where any, are acted upon to further strengthen the control environment.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, expectations, estimates, projections and plans may constitute forward-looking statements within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events, and actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic and political conditions in India and overseas, movements in input costs and exchange rates, demand and supply conditions in the industries in which the Company operates, changes in government regulation and tax regimes, and other incidental factors. The Company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances, and readers are advised to exercise their own judgement in assessing the risks associated with the Company.

Corporate Information

BOARD OF DIRECTORS

Mr. Ashishkumar Durlbhbhai Mulani
Chairman & Director (Executive)
DIN: 08900639

Mr. Sanjay Raghubhai Desai
Managing Director (Executive)
DIN: 08885162

Mr. Satishkumar Jayantibhai Panchani
CEO & Director (Executive)
DIN: 09756732

Mr. Sagarkumar Bipinbhai Mulani
Director & CFO (Executive)
DIN: 08885161

Mr. Bhavesh Vinodchandra Singapuri
Independent Director (Non-Executive)
DIN:10902196

Mr. Nanty Nalinbhai Shah
Independent Director (Non-Executive)
DIN:10973263

Mrs. Charmi Soni
Independent Director (Non-Executive)
DIN:10902194

REGISTRAR & SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited.
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093,
Maharashtra, India.
Tel.: +91 22 6263 8200
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Javanika N. Gandharva

BSESME SCRIP CODE: TRUECOLORS/544531

ISIN: INE1LDV01015
5TH ANNUAL GENERAL MEETING
Date: 19th September, 2026 Time: 11.00 A.M.
Venue: P-8, GR FLR TO 3RD FLR, Somakanjiini Wadi,
Patel Line Khatodara, Surat – 395002,
Gujarat, India.

BANKER TO THE COMPANY

HDFC Bank
HDFC Bank House Senapati Bapat Marg
Lower Parel W, Mumbai - 400013, Maharashtra.
Ph.: +91- 95100 82312
E-mail: amishasurendrakumar.agarwal@hdfcbank.com

AUDIT COMMITTEE

1. Mr. Bhavesh Vinodchandra Singapuri – Chairman
2. Mr. Nanty Nalinbhai Shah – Member
3. Mr. Sagarbhai Bipinbhai Mulani – Member

NOMINATION & REMUNERATION COMMITTEE

1. Mr. Nanty Nalinbhai Shah – Chairman
2. Mr. Bhavesh Vinodchandra Singapuri – Member
3. Mrs. Charmi Soni – Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

1. Mrs. Charmi Soni – Chairperson
2. Mr. Satishbhai Jyantibhai Panchani – Member
3. Mr. Sanjay Raghubhai Desai – Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

1. Mr. Satishbhai Jyantibhai Panchani – Chairman
2. Mr. Sanjay Raghubhai Desai – Member
3. Mr. Bhavesh Vinodchandra Singapuri – Member

STATUTORY AUDITORS

M/s. Lakhankiya & Dosi & LLP.
CA Shailesh Lakhankiya (M. No.: 147112)
Chartered Accountants (FRN: 154114W/W100873)
5th Floor, Bunglow No. 7,
Sadhna Society, Opp. SMC Parking,
Minibazar, Varachha Road,
Surat - 395006, Gujarat, India.
Ph.: +91- 9725190123,
E-mail: cashailesh@hotmail.com

INTERNAL AUDITORS

M/s. Dali Shah & Associates
CA Dali Shah (M. No. 132203)
Chartered Accountants (FRN: 158874W)
606, 6th Floor, Milestone Canal Point, behind Savera Complex,
near INS Hospital, Khatodra Wadi Surat,
Gujarat - 395002, India.
Ph.: +91- 98981 23212,
E-mail: cadalijoshi@gmail.com

SECRETARIAL AUDITORS

M/s. CSA & Associates.
Shubham Agarwal (M. No. 73253)
Cabin No. 10, D 32, 2nd Floor,
Main Vikas Marg, Laxmi Nagar,
New Delhi - 110092, India.
Ph.: +91- 8755916273
E-mail: csagarwal.associates@gmail.com

COST AUDITORS

M/s. B H Kevadiya & Co.
BRIJESH HASMUKHBHAI KEVADIYA (M No. 47263)
Cost Accountant (FRN: 003946W)
B-615, Pragati Empire IT Park, VIP Circle To Sudama Chowk Road,
Opp. AR Mall, Utran, Surat – 394105.
Ph.: +91- 7600060056,
E-mail: bhkevadiya.co@outlook.com

Notice of Annual General Meeting

NOTICE is hereby given that the **5th (Fifth)** Annual General Meeting of the Members of **TRUE COLORS LIMITED** will be held on **Wednesday, September 30, 2026** at 11:30 a.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES:

Item No. 1: Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2026 together with the reports of the Board of Directors and Statutory Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions:**

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2026 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

Item No. 2: Re-appointment of Director(s) retiring by rotation

To appoint Mr. Sanjay Raghubhai Desai (DIN: 08885162), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

Explanation: Based on the terms of appointment, executive and non-executive directors are subject to retirement by rotation. Mr. Sanjay Raghubhai Desai (DIN: 08885162), Managing Director who was appointed as Director for the current term, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Sanjay Raghubhai Desai (DIN: 08885162), Managing Director is required to retire by rotation, he would need to be reappointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sanjay Raghubhai Desai (DIN: 08885162), Managing Director, who retires by rotation at this meeting, be and is hereby re-appointed as such to the extent he requires to be retired by rotation."

SPECIAL BUSINESSES:

Item No. 3: To ratify the remuneration of the Cost Auditors for the Financial Year ending March 31, 2027.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 80,000/- (Rupees Eighty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, payable to M/s B H Kevadiya & Co. (Firm Registration Number-003946W), Cost Accountants, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year 2026-27, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution."

Item No. 4: Appointment of M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. (LLPIN: ACA 1561), Practicing Company Secretaries as Secretarial Auditors of the Company.

To consider and if thought fit, approve the appointment of M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP), Practicing Company Secretaries as the Secretarial Auditor of the Company for a term of five (5) consecutive years and to pass with or without modification(s), the following resolution as an **Ordinary Resolutions:**

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and in accordance with the recommendation of the Board of Directors of the Company, M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP), (LLPIN: ACA 1561) Practicing Company Secretaries, (FRN: L2023GJ013900) be appointed as the Secretarial Auditors of the Company for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2026-27 to 2030-31 on such remuneration and reimbursement of out of pocket expenses for the purpose of audit as may be approved by the Board of Directors of the Company;

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the applicable laws, at a remuneration to be determined by the Board of Directors of the Company;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all actions and do all such deeds, matters and things, as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

Item No. 5: Fee for service of documents.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 20(2) and other applicable provisions, if any, of the Companies Act, 2013, a fee of ₹ 10/- (Rupees Ten only) per page towards the cost of preparation/copying of the document, together with ₹ 250/- (Rupees Two Hundred Fifty only) towards dispatch and handling charges, be charged for service of each document within India, and ₹ 1,000/- (Rupees One Thousand only) towards dispatch and handling charges for service of each document outside India, where any Member requests service of such document by any specific mode of service;

RESOLVED FURTHER THAT the aforesaid charges shall be payable by the Member requesting such specific mode of service, and the request for such service, along with the requisite fee, shall be duly received by the Company at least one week prior to the proposed date of dispatch of the relevant document by the Company;

RESOLVED FURTHER THAT no request for such specific mode of service shall be entertained by the Company if received after the dispatch of the relevant document by the Company to the Member;

RESOLVED FURTHER THAT the Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

Notes:

1. The Government of India Ministry of Corporate Affairs has allowed conducting Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispended the personal presence of the members at the meeting. Accordingly the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8 2020 Circular No. 17/2020 dated April 13 2020 and Circular No. 20/2020 dated May 5 2020 and Circular No. 02/2021 dated January 13 2021 and Circular No. 21/2021 dated December 14 2021 and 02/2022 dated May 5 2022 10/2022 dated December 28 2022 09/2023 dated September 25 2023 and 9/2024 dated September 19 2024 the latest being 03/2025 dated September 22, 2025 ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15 2021 and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13 2022 SEBI/HO/CRD/PoD-2/P/CIR/2023/4 dated January 5 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3 2024 issued by the Securities Exchange Board of India ("SEBI Circular") prescribing the procedures and manner of conducting the AGM through VC/OVAM. In terms of the said circulars the 5th AGM of the Members will be held through VC/OAVM. Hence Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 16 and available at the Company's website www.truecolorsgroup.com. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM is annexed hereto. Further, additional information as required under Listing Regulations and Circulars issued thereunder are also annexed.

3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard II on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this Annual General Meeting ("AGM") is furnished as annexure to this notice.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act 2013.

6. Institutional/Corporate Shareholders (i.e. other than individuals/HUF NRI etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc. authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to csanandlavingia@gmail.com with copies marked to the Company at cs@truecolorsgroup.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.com

7. In line with the aforesaid MCA Circulars and SEBI Circular dated May 12 2020 read with Circular dated January 15 2021 the Notice of AGM along with Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Further a letter providing the web-link including the exact path where complete details of the Annual Report shall also be sent to those shareholder(s) who have not so registered. Member may note that Notice and Annual Report 2025-26 has been uploaded on the website of the Company at www.truecolorsgroup.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.

8. In case of joint holders attending the AGM together only holder whose name appearing first will be entitled to vote.

9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker are requested to write to the Company mentioning their name demat account number/folio number email id mobile number at cs@truecolorsgroup.com on or before September 20 2026 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

10. Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted by following the procedure given below;

    a. In case shares are held in physical mode please provide Folio No. Name of shareholder scanned copy of the share certificate (front and back) PAN (self-attested scanned copy of PAN card) AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@truecolorsgroup.com.

    b. In case shares are held in demat mode please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID) Name client master or copy of Consolidated Account statement PAN (self-attested scanned copy of PAN card) AADHAR (self-attested scanned copy of Aadhar Card) to cs@truecolorsgroup.com. If you are an Individual shareholder holding securities in demat mode you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

c. Alternatively, member may send an e-mail request to evoting@nsdl.com for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.

11. Members are requested to intimate changes if any pertaining to their name postal address email address telephone/mobile numbers Permanent Account Number (PAN) mandates nominations power of attorney bank details such as name of the bank and branch details bank account number MICR code IFSC code etc. to their DPs in case the shares are held in electronic form.

12. As per the provisions of Section 72 of the Act the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members can contact their DP in case the shares are held in electronic form and to BSPL in case the shares are held in physical form.

13. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

14. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

15. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, September 23, 2026, i.e. cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.

16. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9:00 a.m. on Sunday, September 27, 2026 and will end at 5:00 p.m. on Tuesday, September 29, 2026. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

17. The Instructions for Voting through electronic means (E-Voting) are as under:

E-Voting System

a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility to cast their vote electronically, through the remote e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through remote e-voting and voting at the AGM is/are deemed to have been passed as if they have been passed at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means.

b) The Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Wednesday, September 23, 2026, shall be entitled to avail the facility of remote e-voting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

c) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 23, 2026.

d) A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, September 23, 2026, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting during voting period or on the date of the AGM.

e) The remote e-voting will commence on 9:00 a.m. on Sunday, September 27, 2026 and will end at 5:00 p.m. on Tuesday, September 29, 2026. During this period, the members of the Company holding shares as on the Cut-off date i.e. Wednesday, September 23, 2026 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.

f) Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

g) The Company has appointed M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) Practicing Company Secretaries (FRN: L2023GJ013900) to act as the Scrutinizer for remote e-voting as well as the e-voting on the date of the AGM in a fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING:

The remote e-voting period begins on Sunday, September 27, 2026 at 09:00 A.M. and ends on Tuesday, September 29, 2026 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 23, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 23, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9 2020 on e-Voting facility provided by Listed Companies Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID8-digit Client Id PAN No. Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section this will prompt you to enter your existing User ID and Password. After successful authentication you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL) Password/OTP and a Verification Code as shown on the screen. After successful authentication you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Login method for Individual shareholders holding securities in demat mode is given below: (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **CDSL**	1. Users who have opted for CDSL Easi/Easiest facility can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their **depository participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in you will be able to see e-Voting option. Click on e-Voting option you will be redirected to NSDL/CDSL Depository site after successful authentication wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID your Password/OTP and a Verification Code as shown on the screen.

   Alternatively if you are registered for NSDL eservices i.e. IDEAS you can log-in at https://eservices.nsdl.com/with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password' you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      i. If your email ID is registered in your demat account or with the company your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii. If your email ID is not registered please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options you can send a request at evoting@nsdl.com mentioning your demat account number/folio number your PAN your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now you will have to click on "Login" button.

9. After you click on the "Login" button Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1 you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS:

1. Institutional shareholders (i.e. other than individuals HUF NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly

authorized signatory(ies) who are authorized to vote to the Scrutinizer by e-mail to csanandlavingia@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals HUF NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No. Name of shareholder scanned copy of the share certificate (front and back) PAN (self-attested scanned copy of PAN card) AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@truecolorsgroup.com.

2. In case shares are held in demat mode please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID) Name client master or copy of Consolidated Account statement PAN (self-attested scanned copy of PAN card) AADHAR (self-attested scanned copy of Aadhar Card) to cs@truecolorsgroup.com. If you are an Individual shareholder holding securities in demat mode you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9 2020 on e-Voting facility provided by Listed Companies Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Contact Details

Company	**TRUE COLORS LIMITED** P-8, GR FLR TO 3RD FLR, Somakanjiini Wadi Patel Line Khatodara, Surat - 395002, Gujarat, India. **T. No.:** +91-7069169145 **E-mail:** cs@truecolorsgroup.com; **Web:** www.truecolorsgroup.com
Registrar and Transfer Agent	**BIGSHARE SERVICES PRIVATE LIMITED** Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India **T. No.:** +91-22-6263 8200; **E-mail:** investor@bigshareonline.com; **Web:** www.bigshareonline.com
E-Voting Agency & VC/OAVM	**E-mail:** evoting@nsdl.com NSDL help desk 022 - 4886 7000
Scrutinizer	**M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP), Practicing Company Secretaries - Mr. Anand S Lavingia** **Email:** csanandlavingia@gmail.com; **Tel No.:** +91 79 3578 9144

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI for Item No. 2

Name	Mr. Sanjay Raghubhai Desai
Date of Birth	22/07/1989
Qualification	Bachelor of Technology (Mechatronics Engineering)
Experience – Expertise in specific functional areas – Job profile and suitability	Over 12 years of experience in the digital textile printing industry, focused on sales and marketing. He oversees sales and marketing, focusing on expanding our market reach and strengthening our international sourcing network. His experience in building and maintaining relationships with suppliers and clients has contributed to our market positioning.
No. of Shares held as on March 31, 2026	4228499 Equity Shares
Terms & Conditions	There are no changes in terms and conditions already approved.
Remuneration Last Drawn	Rupees 75.39 Lakh for F.Y. 2025-26
Remuneration sought to be paid	There are no changes in terms and conditions already approved.
Number of Board Meetings attended during the Financial Year 2025-26	24 out of 28
Date of Original Appointment	09/10/2021
Date of Appointment in current terms	19/02/2025
Directorships held in public companies including deemed public companies*	True Colors Limited
Memberships/Chairmanships of committees of public companies**	Membership – 1 Committee
Inter-se Relationship with other Directors	Mr. Sanjay Raghubhai Desai is not relative of any Director of the Company.

*Excluding Section 8 and Foreign Companies.

**Includes only Audit Committee and Stakeholders' Grievances and Relationship Committee.

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

Item No. 3

To ratify the remuneration of the Cost Auditors for the Financial Year ending March 31, 2027.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to maintain cost records and get the same audited by a Cost Auditor.

The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s B H Kevadiya & Co. (Firm Registration Number: 003946W), Cost Accountants, as the Cost Auditor of the Company for the Financial Year 2026-27, at a remuneration of ₹ 80,000/- (Rupees Eighty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for ratification of the remuneration payable to the Cost Auditor for the Financial Year 2026-27.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board of Directors recommends the resolution set out at **Item No. 3** for approval of the Members as an **Ordinary Resolution.**

Item No. 4

To approve the appointment of M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561), Practicing Company Secretaries as the Secretarial Auditor of the Company for a term of five (5) consecutive years: ORIDNARY RESOLUTIONS

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 ("SEBI Listing Regulations"), on the basis of recommendation of Board of Directors, the Company shall appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years; or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the shareholders in Annual General Meeting ("AGM").

The Board of Directors has approved the appointment of M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP), (LLPIN: ACA 1561) Practicing Company Secretaries, (FRN: L2023GJ013900) as the Secretarial Auditors of the Company for a period of five consecutive financial years from 2026-27 to 2030-31. The appointment is subject to shareholders' approval at the AGM. While recommending M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) for appointment, the Audit Committee and the Board based on past audit experience of the audit firm particularly in auditing large companies, valuated various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the various business segments, the clientele it serves, and its technical expertise. Pursuant to Regulation 36(5) of SEBI Listing Regulations as amended, the credentials and terms of appointment of M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) are as under:

Details	Particulars
Proposed Fees payable to the Auditors	The proposed fees payable to M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) is Rupees 2.40 lakhs per annum. The said fees shall exclude GST, certification fees and other professional fees, applicable taxes, reimbursements and other outlays. The Audit Committee/Board is proposed to be authorized to revise the fee, from time to time.
Terms of Appointment	M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) is proposed to be appointed for a term of five (5) consecutive years, to conduct the Secretarial Audit of five consecutive financial years from 2026-27 to 2030-31.
Basis of recommendation for appointment including the details in relation to and credentials of the Auditor(s) proposed to be appointed	M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) is a leading firm of Practicing Company Secretaries with excellence in Corporate Governance and Compliance. M/s. PRASAD AND PARTNERS LLP (Formerly known as ALAP & CO. LLP) (LLPIN: ACA 1561) is widely recognised for its expertise in Secretarial Audits, Compliance Audits, and Due Diligence across sectors like banking, financial services, IT/Telecom, pharmaceuticals, FMCG, and infrastructure etc. The firm offers end-to-end advisory and compliance services under Corporate Laws, SEBI Regulations, NBFC Laws, FEMA, and Merger & Acquisition.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in this resolution set out at Item no. 4 of the Notice.

The Board accordingly recommends the Ordinary Resolution set out at **Item No. 4** of the accompanying Notice for approval of the Members.

Item No. 5

Fee for service of documents.

The provisions of Section 20 of the Companies Act, 2013, provide for service of documents by a company upon its Members in the manner prescribed under the Act. Further, pursuant to Section 20(2) of the Act, a Member may request delivery of documents through a particular mode, subject to such conditions and payment of such fees as may be determined by the Company.

In order to facilitate Members who may desire to receive documents through a specific mode of service, the Board of Directors of the Company, at its meeting held on September 05, 2026, has proposed to prescribe reasonable charges towards the cost of preparation/copying, dispatch and handling of such documents.

Accordingly, it is proposed that, where a Member requests the Company to serve any document through a specific mode of service, a charge of ₹ 10/- (Rupees Ten only) per page towards the cost of preparation/copying of the document, together with ₹ 250/- (Rupees Two Hundred Fifty only) towards dispatch and handling charges for service within India, shall be payable by such Member. In case of service outside India, ₹ 1,000/- (Rupees One Thousand only) towards dispatch and handling charges shall be payable by the Member, in addition to the applicable charge of ₹ 10/- per page.

The request for such specific mode of service, along with the requisite fee, must be received by the Company at least one week prior to the proposed date of dispatch of the relevant document. No request for such specific mode of service shall be entertained if received after the relevant document has been dispatched by the Company to the Member.

The proposed resolution is intended to provide a uniform and transparent mechanism for recovery of the costs incurred by the Company in providing documents through specific modes of service requested by Members.

The Board of Directors recommends the resolution set out at Item No. 5 of the accompanying Notice for approval of the Members by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company, or their respective relatives is concerned or interested, financially or otherwise, in the proposed resolution.

The Members are requested to consider and approve the proposed resolution.

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

Director's Report

To
The Members
TRUE COLORS LIMITED

Your directors have pleasure in presenting their 5th Annual Report on the business and operations of the Company along with the Audited Financial Statements of your Company for the financial year ended on 31st March, 2026.

BUSINESS OVERVIEW

True Colors Limited was incorporated in 2021 with the objective of business of import and distribution of digital textile printers and manufacturing and supplying of products related to digital textile printing industry. Our business model includes manufacturing as well as trading that covers the following three key pillars in the digital textile printing industry such as:

a) **Machinery & Ink Supply (Import & Distribution):** We import and distribute high-quality wide format digital textile inkjet printers from globally recognized brands such as KONICA MINOLTA, HOPETECH, ITTEN, PENGDA and SKYJET. Further we have signed dealership agreements with these brands. These printers are supplied to textile manufacturers, export houses and fabric dealers across India. By providing installation services, spare parts, and after-sales support, we serve as a reliable partner for businesses adopting digital textile printing. Additionally, we import and supply specialized digital textile printing inks that ensure vibrant and durable prints. Further our ink portfolio includes:

   Sublimation Inks: Specially formulated for polyester fabrics, our sublimation inks are designed for transfer printing applications. These inks offer exceptional color brilliance, high penetration, and sharp detailing, ensuring vibrant and durable prints with excellent wash and rub fastness.

   Reactive Inks: Used for direct printing on natural fibers such as cotton, viscose, and silk, our reactive inks deliver deep color saturation, excellent fixation, and superior color fastness. These inks are optimized for high-speed printing and consistent output across diverse fabric types.

   Disperse Inks: Engineered for direct-to-fabric printing on polyester materials, our disperse inks enable rich color development and high-definition print results. These inks offer outstanding thermal stability and are suitable for both fashion and home textile applications.

b) **Sublimation Paper Manufacturing & Supply:** We have established an in-house sublimation paper manufacturing unit, a critical component in the digital textile printing process. This ensures consistent supply to our customers, quality control over printing materials and reduced dependency on third-party suppliers. Sublimation paper is a unique type of paper that is specifically designed for sublimation printing. Sublimation printing is a process where heat is used to transfer dye onto various materials, such as fabrics, ceramics, and metals.

c) **Digital Textile Printing:** We provide digital textile printing for customers who prefer to outsource their printing needs and in addition to it we have increased our scope to printed fabric supply. Hence, we offer:

   Job-Work Printing: Printing on fabrics supplied by clients.

   Printed Fabric Supply: Printing and supplying of custom-printed fabrics.

   Digital textile printing, also known as direct-to-garment (DTG) or digital garment printing, is a modern technique that involves transferring a variety of digital images and designs directly onto textiles and garments using specialized or adapted inkjet technology. This method is particularly well-suited for producing high-resolution images, intricate patterns, detailed graphics, and smooth tonal transitions. It supports a broad spectrum of end-use applications, including fashion and apparel, home textiles, interior design, promotional and advertising materials, sportswear, activewear, accessories, industrial textiles, and home décor. Compared to traditional printing techniques, digital textile printing offers several advantages such as superior print quality, customization capabilities, operational flexibility, faster turnaround times, cost efficiency for small runs, reduced environmental impact, compatibility with diverse fabric types, consistent output, and enhanced access to international markets.

KEY DEVELOPMENTS IN FY 2025-26

IPO: On September 30, 2025, the Company successfully launched its Initial Public Offering (IPO), raising ₹ 127.96 crore. The proceeds are being utilized for capital expenditure, debt repayment, and working capital requirements, thereby strengthening the financial position and enabling future expansion.

Acquisition: On December 01, 2025, the Company approved to Scheme of Arrangement with the Inkia Inks Private Limited in its Board Meeting dated December 01, 2025 and BSE has sent its Observation letter dated May 16, 2026 on Scheme of Arrangement of True Colors Ltd with Inkia Inks Private Limited.

OUTLOOK

True Colors Limited is India's only fully integrated digital printing ecosystem company, operating across machinery distribution, consumables manufacturing and digital print services.

The Company's compounding model converts every machine installation into a recurring ink and paper customer, building a high visibility recurring revenue architecture that scales with India's digital printing adoption.

1. FINANCIAL YEAR 2025-26 AT GLANCE

Financial Results:

(₹ in lacs)

Particulars	For the year Ended March 31, 2026	For the year Ended March 31, 2025
Revenue from operations	30,154.74	23,336.55
Other income	49.62	68.69
Total revenue	30,204.36	23,405.24
Profit before exceptional items and tax	3,708.52	3,298.15
Less: Exceptional items and tax	10.64	53.24
Profit before tax	3,697.88	3,244.91
Less: Tax expenses	-	-
Current tax	765.94	756.51
Tax Adjustment on account of change in tax regime	(171.74)	-
Deferred Tax	(11.95)	65.88
Net Profit/(loss) after tax	3,115.63	2,422.52
Earnings per share (basic)	14.28	13.55

2. FINANCIAL PERFORMANCE OF THE COMPANY

During the year under preview, the Company has earned sales income ₹ 30,154.74/- Lacs (Previous Year ₹ 23,336.55 lacs) and other income ₹ 49.62 lacs (Previous year ₹ 68.69 lacs). The Total revenue ₹ 30,204.36 lacs (Previous year ₹ 23,405.24 lacs).

Profit before Tax (PBT) was ₹ 3,697.88 lacs and Profit after Tax (PAT) was ₹ 3,115.63 lacs (Previous year ₹ 2,422.52 lacs).

3. DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view to the financial expansion and future growth's perspective of the Company and Stakeholders, has decided that it would be prudent, not to recommend any Dividend for year under review. (Previous year NIL)

Note: Dividend Distribution Policy is not applicable to our Company.

4. TRANSFER TO RESERVES

Company has not transferred any amount from profit to general reserve.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUNDS (IEPF)

The provision of Section 125 of Companies Act, 2013 is not applicable to the company as the company has not declared any dividend to its shareholders.

6. CHANGE IN NATURE OF BUSINESS

During the financial year, there has been no change in the nature of business of the Company. However, after the completion of financial year 2025-26, the Company amended Clause III(A)(3) of its Memorandum of Association to expand the scope of its existing objects by specifically including the manufacturing, processing and dealing in various types of inks, allied chemical products, textile dyes, pigments, coatings, pre-treatment and post-treatment chemicals, along with textile printing machinery, spare parts and related ancillary materials.

The aforesaid amendment has been undertaken to facilitate the Company's proposed in-house manufacturing of inks and allied chemical products as part of its business expansion and backward integration strategy. This initiative is expected to strengthen the Company's manufacturing capabilities, enhance supply chain efficiency, reduce dependence on imports and external suppliers, improve quality control and support long-term operational growth.

The above amendment does not result in any change in the principal nature of business of the Company. The Company continues to be engaged in the business of manufacturing and trading of digital textile printing products and related solutions, and the amendment is intended solely to expand and strengthen its existing business operations.

7. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2026 is available on the Company's website and can be accessed at Web link: https://truecolorsgroup.com/wp-content/uploads/2026/09/Annual-Return-2025-26.pdf

8. CORPORATE GOVERNANCE REPORT

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

a) Listed entity having paid up equity share capital not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore, as on the last day of the previous financial year;

b) Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls within the ambit of aforesaid exemption i.e in point number (b); hence compliance with the provision of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2025-26.

9. SECRETARIAL STANDARDS

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

10. CEO & CFO CERTIFICATION

Pursuant to Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate from Mr. Sagarkumar Bipinbhai Mulani, Chief Financial Officer of the Company and Mr. Satishkumar Jayantibhai Panchani, Chief Executive Officer of the Company for the year ended 31st March, 2026 is attached herewith as **"Annexure-I"**.

11. DIRECTORS

Details Of Board Of Directors And Key Managerial Personnel

The members of the Board of Directors of the Company are of proven competence and integrity. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance.

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is available on the Company's website www.truecolorsgroup.com.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations. None of the Director of the Company is serving as a Whole-Time Director in any other Listed Company and the number of their directorship is within the limits laid down under section 165 of the Companies Act, 2013.

As on date of this report, the Board of the Company comprises of Seven Directors out of which one is Managing Director, one is Chairman & Director, One is CFO & Executive Director, One is CEO & Executive Director and three are Non-Promoter Non-Executive Independent Directors. As on the date of this report, the Board comprises following Directors.

Name of the Director & Designation	Category & Nature of employment	Date of Appointment	No. of Directorship held in other companies in India	No. of committees of which Member(M)/ Chairman (C)	Board meeting attended	Attendance at the last AGM	No. of Shares held & % holding (of the Company)
Mr. Ashishkumar Durlbhbhai Mulani Chairman	Promoter Executive Director	09/10/2021	0	-	27	Yes	4228499 (17.15%)
Mr. Sanjay Raghubhai Desai Managing Director	Promoter Executive Director	09/10/2021	2	Member=1	24	Yes	4228499 (17.15%)
Mr. Sagarkumar Bipinbhai Mulani CFO & Director	Promoter Executive Director	19/02/2025	4	Member=1	22	Yes	4228499 (17.15%)
Mr. Satishkumar Jayantibhai Panchani CEO & Director	Promoter Executive Director	19/02/2025	1	Member=1	27	Yes	4232299 (17.17%)
Mr. Bhavesh Vinodchandra Singapuri	Non-Executive Independent Director	11/03/2025	0	Chairman=1 Member=1	12	Yes	-
Mr. Nanty Nalinbhai Shah	Non-Executive Independent Director	11/03/2025	0	Member=1	11	No	-
Ms. Charmi Soni	Non-Executive Independent Director	11/03/2025	0	Chairperson=1 Member=1	14	Yes	-

^Committee includes Audit Committee and Stakeholders Relationship Committee across all Public Companies.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Companies. None of the Director of the Company is holding position as Independent Director in more than 7 Listed Companies. Further, none of the Directors of the Company is disqualified for being appointed as a Director pursuant to Section 164 (2) of the Companies Act, 2013.

The Board of Directors and Key Managerial Personnel's (KMPs) of the Companies in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) are as follows:

Name of Director	Designation	Appointment Date	Change in Designation	Resignation Date
Mr. Ashishkumar Durlbhbhai Mulani	Chairman & Director	09.10.2021	19.02.2025	-
Mr. Sanjay Raghubhai Desai	Managing Director	09.10.2021	19.02.2025	-
Mr. Sagarkumar Bipinbhai Mulani	CFO & Executive Director	19.02.2025	-	-
Mr. Satishkumar Jayantibhai Panchani	CEO & Executive Director	19.02.2025	-	-
Mr. Bhavesh Vinodchandra Singapuri	Independent Director	11.03.2025	-	-
Mr. Nanty Nalinbhai Shah	Independent Director	11.03.2025	-	-
Ms. Charmi Soni	Independent Director	11.03.2025	-	-
Mr. Chrag Prakashchandra Hojiwala	Company Secretary and Compliance Officer	11-03-2025	-	31-03-2025
Ms. Javanika Gandharva	Company Secretary and Compliance Officer	05.04.2025	-	-

During the year under review none of the Directors have been disqualified under the various applicable provisions of Companies Act, or SEBI Act or SEBI (LODR) or any other applicable Acts.

Mr. Sanjay Raghubhai Desai (DIN: 08885162) is liable to retire by rotation at the ensuing Annual General Meeting, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and being eligible have offered himself for re-appointment. Appropriate business for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the ensuing AGM of the Company. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard, of the person seeking re-appointment as Director are also provided in Notes to the Notice convening the 05th Annual General meeting.

Disclosure by Directors

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company. None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

Declaration by the independent directors

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has Three Non-Executive Independent Directors in line with the act. The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Act. All the Independent Directors of the Company have registered themselves in the Independent Director Data Bank. Further, In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise including the Proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014.

NUMBER OF MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy, apart from other Board business. The Board/Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Surat. The Agenda of the Board/Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met Twenty-Eight times in financial year 2025-26. The details are as below:

Sr. No.	Date of Meeting	Board's Strength	No. of Director's Present
1.	05.04.2025	07	06
2.	14.04.2025	07	06
3.	26.04.2025	07	04
4.	20.05.2025	07	04
5.	19.06.2025	07	03
6.	30.06.2025	07	07
7.	04.07.2025	07	06
8.	07.07.2025	07	05
9.	13.07.2025	07	07
10.	02.08.2025	07	04
11.	11.08.2025	07	04
12.	28.08.2025	07	05
13.	04.09.2025	07	03
14.	16.09.2025	07	06
15.	22.09.2025	07	04
16.	26.09.2025	07	05
17.	26.09.2025	07	05
18.	29.09.2025	07	05
19.	10.10.2025	07	04
20.	27.10.2025	07	03
21.	10.11.2025	07	06
22.	01.12.2025	07	06
23.	01.01.2026	07	04
24.	07.01.2026	07	04
25.	21.01.2026	07	05
26.	13.02.2026	07	04
27.	24.02.2026	07	05
28.	26.03.2026	07	07

Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act:

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.

- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the performance of chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

BOARD INDEPENDENCE

'Independence' of Directors means as defined in Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

1) Mr. Bhavesh Vinodchandra Singapuri
2) Mr. Nanty Nalinbhai Shah
3) Mrs. Charmi Soni

Meeting of Independent Directors

The Company's independent directors meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non-Independent Directors and Board as whole.

During the financial year 2025-26, Two (2) meetings of the Independent Directors was held on following date: 01.12.2025, 26.03.2026.

Attendance of the Directors at the Independent Directors Meetings held during the financial year is as under:

Name of Directors	Categories	No. of Meeting Attended
Mr. Bhavesh Vinodchandra Singapuri	Chairman	2
Mr. Nanty Nalinbhai Shah	Member	2
Ms. Charmi Soni	Member	2

Familiarization Program to Independent Directors

The Board has formulated a Familiarization Program for every newly appointed Directors of the Company. Such program enables the Independent Directors to understand about the operations and affairs of the Company. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. They are familiarized with the Company's operation. A familiarization policy in this regard has been framed by the Company and hosted on the Company's Website at https://truecolorsgroup.com/wp-content/uploads/2025/04/5.-Policy-on-Familiarization-Programme.pdf

Committees of the Board

There are currently four Committees of the Board, as under:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Relationship Committee
4) Corporate Social Responsibility Committee

Details of all the Committees, along with their charters, composition and meetings held during the year, are provided here under:

1. Audit Committee

In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate.

Broad Terms of Reference of the Audit Committee

The Audit Committee of True Colors Limited consists of One (1) Executive Director and Two (2) Non-Executive Independent Directors of the Company. All the Directors have good understanding of Finance, Accounts and Law. The Audit Committee also advises the Management on the areas where internal control system can be improved.

The Compliance Officer of the Company acts as the Secretary to the Audit committee.

The terms of reference of Audit Committee of the Company are in accordance with Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter-alia, include the following:

The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013;

    II. Changes, if any, in accounting policies and practices and reasons for the same;

    III. Major accounting entries involving estimates based on the exercise of judgment by management;

    IV. Significant adjustments made in the financial statements arising out of audit findings;

    V. Compliance with listing and other legal requirements relating to financial statements;

    VI. Disclosure of any related party transactions;

    VII. modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/Prospectus/notice and the report submitted by the monitoring agency monitoring

the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Review and monitor the auditor's independence, performance and effectiveness of audit process.

8. Approval or any subsequent modification of transactions of the company with related parties.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets of the company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

14. Discussion with internal auditors any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.

20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

21. To investigate any other matters referred to by the Board of Directors.

22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

23. Reviewing the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

24. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial information and results of operations;

b. Management letters/letters of internal control weaknesses issued by the statutory auditors;

c. Internal audit reports relating to internal control weaknesses; and

d. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

e. statement of deviations:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

Composition and attendance at Meetings

The Chairman of the Audit Committee is Mr. Bhavesh Vinodchandra Singapuri.

The composition of Audit Committee and Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Directors	Categories	Nature of Directorship	No. of Meeting Attended
Mr. Bhavesh Vinodchandra Singapuri	Chairman	Independent Director	6
Mr. Nanty Nalinbhai Shah	Member	Independent Director	9
Mr. Sagarkumar Bipinbhai Mulani	Member	Executive Director	7

During the financial year 2025-26, Nine (9) meetings of Audit Committee were held on following dates: 05/04/2025, 14/04/2025, 30/06/2025, 04/07/2025, 07/07/2025, 26/09/2025, 10/11/2025, 01/12/2025 and 13/02/2026.

2. Nomination and Remuneration Committee

Your Company constituted a Nomination & Remuneration Committee to look into the matters pertaining to remuneration of executive and non-executive directors.

The Board of Directors ('the Board') of True Colors Limited ("the Company") reviewed the charter of Nomination & Remuneration Committee." The detailed Nomination & Remuneration Policy is uploaded on the website of the Company. The web link is https://truecolorsgroup.com/wp-content/uploads/2025/04/9.-NRC-Policy.pdf

Broad Terms of Reference of the Nomination & Remuneration Committee

The terms of reference of Nomination & Remuneration Committee of the Company are in accordance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Nomination & Remuneration Committee, inter-alia:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors.

(3) devising a policy on diversity of board of directors.

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition of the Nomination & Remuneration Committee and attendance at Meetings:

The composition of Nomination & Remuneration Committee and Attendance of the Directors at the Nomination & Remuneration Committee Meetings held during the financial year is as under:

Name of Directors	Categories	Nature of Directorship	No. of Meeting Attended
Mr. Nanty Nalinbhai Shah	Chairman	Independent Director	1
Mr. Bhavesh Vinodchandra Singapuri	Member	Independent Director	1
Ms. Charmi Soni	Member	Independent Director	1

During the financial year 2025-26, One (1) meeting of the Nomination & Remuneration Committee were held on following dates: 05.04.2025

Remuneration Of Directors

During the financial year under review the company paid below mentioned remuneration or sitting fees to directors of the Company. The Remuneration paid is in commensuration to the efforts, expertise and time devoted by the director(s).

Name	Category	Remuneration/Sitting fees
Mr. Ashishkumar Durlbhbhai Mulani	Chairman and Director	₹ 75.39 Lacs
Mr. Sanjay Raghubhai Desai	Managing Director	₹ 75.39 Lacs
Mr. Sagarkumar Bipinbhai Mulani	CFO & Director	₹ 75.39 Lacs
Mr. Satishkumar Jayantibhai Panchani	CEO & Director	₹ 75.39 Lacs
Mr. Bhavesh Vinodchandra Singapuri	Independent Director	₹ 1.52 Lacs
Mr. Nanty Nalinbhai Shah	Independent Director	₹ 1.37 Lacs
Ms. Charmi Soni	Independent Director	₹ 1.12 Lacs

Remuneration Policy

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 which is available on the website of the Company www.truecolorsgroup.com.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long-term performance objectives appropriate to the working of the Company and support in the achievement of Corporate Goals.

3. Stakeholders Relationship Committee (SRC)

Your Company has constituted a Stakeholders Relationship Committee (SRC) ("Stakeholders, Shareholders/Investors Grievance Committee") to redress the complaints of the shareholders.

The Stakeholders Relationship Committee (SRC) shall oversee all matters pertaining to investors of our Company. Ms. Charmi Soni (Non-Executive Independent Director) is heading the Committee.

Composition of the Stakeholders Relationship Committee (SRC) and attendance at Meetings:

The composition of Stakeholders Relationship Committee (SRC) and Attendance of the members at the Stakeholders Relationship Committee (SRC) Meetings held during the financial year is as under:

Name of Directors	Categories	Nature of Directorship	No. of Meeting Attended
Ms. Charmi Soni	Chairperson	Independent Director	1
Mr. Satishkumar Jayantibhai Panchani	Member	Independent Director	1
Mr. Sanjay Raghubhai Desai	Member	Independent Director	1

During the financial year 2025-26, One (1) meeting of Stakeholders Relationship Committee (SRC) were held on following dates: 10.11.2025

Name & Designation and address of the Compliance Officer

Ms. Javanika Gandharva

Company Secretary & Compliance Officer

True Colors Limited

True Colors House, P - 8, Gr Flr to 3rd Flr, Somakanjini Wadi, Patel Line, Khatodara, Surat-395002, Gujarat, India.

Email ID: cs@truecolorsgroup.com

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

Complaints Redress System (SCORES)

SEBI administers a centralized web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report complaints redressed. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, one investor complaint had been received by the Company through SCORES.

Status of Complaints pending, received, disposed and unresolved:

Number of Shareholders' Complaints Pending at the beginning of the year	Nil
Number of Shareholders' Complaints received during the year	2
Number of Shareholders' Complaints disposed during the year	2
Number of Shareholders' Complaints remain unresolved at the end of the year	Nil

General Body Meetings:

The details of Annual General Meetings held during the last three years are as follows:

Year	Day, Date & Time	Venue
2024-25	Saturday, August 25, 2025 at 03.30 pm	through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
2023-24	Monday, September 30, 2024 at 10.00 am	True Colors House, P-8, Gr Flr to 3rd Flr, Somakanjini Wadi, Patel Line, Khatodara, Surat-395002, Gujarat, India.
2022-23	Saturday, September 30, 2023 at 10.00 am	True Colors House, P-8, Gr Flr to 3rd Flr, Somakanjini Wadi, Patel Line, Khatodara, Surat-395002, Gujarat, India.

Means Of Communication

During the year, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings.

The results were also sent to the Stock Exchange for general information and for putting on their website. The notice of the AGM was sent to the shareholders well in advance of the AGM. The gist of the notice is also published in English newspaper and Gujarati Newspaper. The Company regularly puts latest information and financial data on the website of the Company www.truecolorsgroup.com.

General Shareholder Information

Annual General Meeting

Date, Time, Venue	Wednesday, 30th September, 2026 at 11:30 AM through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")
Financial Year	The Financial year of the Company is From April 1 to March 31 of the following year.

The Members/Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filed in to the meeting. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Financial Calendar

Financial Reporting for the half year ended 30thSeptember, 2026	Within 45 days from end of half year
Financial Reporting for the half year/year ended 31stMarch, 2027	Within 60 days from end of half year/year

12. RISK MANAGEMENT

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

13. SUBSIDIARY, JOINT-VENTURE AND ASSOCIATES COMPANIES

The Company does not have any subsidiary, Joint Venture and Associate Companies.

14. DIRECTORS RESPONSIBILITY STATEMENT

As stipulated in Section 134(3)(c) read with sub-section (5) of the Companies Act, 2013, Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

a) that in the preparation of the Annual Accounts for the year ended March 31, 2026, the applicable accounting standards have been followed and that there are no material departures;

b) that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at March 31, 2026 and of the profit of the Company for the Financial year ended March 31, 2026;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual accounts for the year ended March 31, 2026 have been prepared on a going concern basis;

e) that they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. The details of transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed to this Report as **"Annexure-II"**.

The policy on Related Party Transactions as approved by the Board is available on website of the company at https://truecolorsgroup.com/wp-content/uploads/2025/04/10.-RPT-Policy.pdf

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has framed policy on Corporate Social Responsibility. As part of its initiatives under CSR, the Company has identified various projects/activities in accordance with Schedule VII of the Act. According to provision of Section 135 of Companies Act, 2013 the details of Corporate Social Responsibility is provided in **"Annexure-III"** which forms part of Director's Report.

17. ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy

i.) The steps taken or impact on conservation of energy

No major steps have been taken by the Company. However, the Company continues its endeavor to improve energy conservation and utilization.

ii.) The steps taken by the Company for utilizing alternate sources of energy

The Company has continued its focus on energy conservation efforts through up-gradation of process with new technology. The technology installed by the Company has provided better results in quality and production and also reducing the overall cost of production and maintenance which effect production scheduling and various energy saving initiatives in all areas of production. However, the Company has not installed any alternate source of energy running on renewable energy source.

iii.) The capital investment on energy conservation equipment: Nil

B. Technology absorption

i.) The effort made towards technology absorption

Your Company has been very thoughtful in installing new technology to reduce the production cost, improve yield, enhance product endurance and strengthen finish. However, no new technology has been installed by the Company during the year and all existing technology has been fully absorbed.

ii.) The benefit derived like product improvement, cost reduction, product development or import substitution

The Company had installed such technology that improve productivity, quality and reduction in manual intervention and to enhance the quality and productivity. Improvement in manufacturing process helped the Company in managing production scheduling; & better & faster servicing of product for domestic as well as global market.

iii.) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a. The details of technology imported: Not Applicable

b. The year of import: Not Applicable

c. Whether the technology has been fully absorbed: Not Applicable

iv.) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

Not Applicable

v.) The expenditure incurred on Research and Development:

Nil

C. Foreign Exchange Earnings & Expenditure

i.) Details of Foreign Exchange Earnings

(₹ in lacs)

Sr. No.	Particulars	F.Y. 2025-26	F.Y. 2024-25
1.	Exports of Goods calculated on F.O.B. basis	470.52	93.29

ii.) Details of Foreign Exchange Expenditure

(₹ in lacs)

Sr. No.	Particulars	F.Y. 2025-26	F.Y. 2024-25
1.	Import of Raw Material/Goods	9,020.15	6,286.91

18. PARTICULAR OF EMPOYEES AND RELATED DISLOSURES

The information required under Section 197(12) of the Companies Act, 2013 and rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **“Annexure-IV”** to this report and form part of this Report.

The statement containing particulars of employees, as required under Section 197 of the Act, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, in terms of Section 136 of the Act, the Annual Report is being sent to the shareholders and others entitled thereto, excluding the said annexure, which is available for inspection by the shareholders at the Registered Office of your Company during business hours on working days of your Company. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to the Company Secretary in this regard.

19. AUDITORS

Statutory Auditor

M/s. Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration No. 154114W) were appointed as Statutory Auditor of the Company for a term of 5 (Five) consecutive years, at the Extra Ordinary General Meeting held on 19th February, 2025. They have confirmed that they are not disqualified from continuing as Auditor of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditor

M/s. Dali Shah & Associates, Chartered Accountant, Surat, has been internal Auditor of the Company for the Financial Year 2025-26. Internal Auditors are appointed by the Board of Directors of the Company on yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal Audit of the Company to the Audit Committee on a Half yearly Basis. The Scope of Internal audit is approved by the Audit Committee.

Secretarial Auditor

The Company has appointed M/s. CSA & Associates, Company Secretary, to conduct the secretarial audit of the Company for the financial year 2025-26, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2025-26 is annexed to this report as an **"Annexure V"**.

Cost Auditor

During the year under review, in accordance with Section 148(1) of the Act, your Company has maintained the accounts and cost records, as specified by the Central Government. Such cost accounts and records are subject to audit by M/s. B H Kevadiya & Co., Cost Accountants (Firm Registration No. 003946W) of the Company for FY2025-26. Your Company has re-appointed M/s. B H Kevadiya & Co., Cost Accountants (Firm Registration No. 003946W) to conduct audit of cost records of your Company for the year ended March 31, 2027. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for FY27 is provided in the Notice of the ensuing AGM. The cost accounts and records as required to be maintained under section 148(1) of the Act are duly made and maintained by your Company.

Reporting of frauds by auditors

During the year under review, neither the Statutory Auditors, Internal Auditors, or the Secretarial Auditors have reported to the Audit Committee, under Section 143 (12) of the Act, any instances of fraud committed by the Company or against your Company by its officers or employees, the details of which would need to be mentioned in the Boards' report.

20. INTERNAL FINANCIAL CONTROL

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost cutting measures, efficiency of operation and protecting assets from their unauthorized use. The Company also ensures that internal controls are operating effectively. The Company has also in place adequate internal financial controls with reference to financial statement. Such controls are tested from time to time to have an internal control system in place.

Your Company ensures adequacy, commensurate with its current size, scale and complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls, statutory compliances and other regulatory compliances. It is supported by the internal audit process and will be enlarged to be adequate with the growth in the business activity. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls. The internal audit reports are reviewed by Audit Committee.

21. DEPOSITS

The company has not accepted deposits from the public during the financial year under review within the meaning of Section 73 of the Act of the Companies Act 2013, read with Companies (Acceptance of Deposits) Rules, 2014.

22. LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

The Loans, Guarantees and Investments mentioned in the notes to the Financial Statements are within the ambit of Section 186 of the Companies Act, 2013.

The company has not given any loans or guarantees or investments under section 186(4) of Companies Act, 2013.

23. MANAGEMENT DISUCUSSION AND ANALYSIS REPORT

As per the Regulation 34 of SEBI (Listing Obligations Disclosure Requirements), Regulations 2015, the Management Discussion and Analysis Report of the financial condition of the Company under review, is annexed and forms an integral part of the Directors' Report.

24. LISTING AT STOCK EXCHANGE

The Equity Shares of the Company were listed on the BSE Limited (Bombay Stock Exchange of India- SME Platform) since September 30, 2025. The Annual Listing Fee for the current year has been paid to the BSE Limited.

25. UTILIZATION OF IPO PROCEEDS

During Financial Year, Company had completed its Initial Public Offering ("IPO") 56,99,600 Equity Shares and offer for sale of 10,00,000 Equity Shares at price of ₹ 10 Per Equity Share including Share Premium of ₹ 181 Per Equity Share and raised fund of ₹ 127,96,23,600/-.

Pursuant to the IPO, the equity shares of company have to get listed on the SME platform of BSE on 30th September, 2025. The Company has utilised the money raised by way of Initial Public offer during the year for the purpose for which they were raised as under:

Sr. No.	Particulars	Modified Objects, if any	Original Allocation	Modified allocation, if any	Funds Utilized upto 31/03/2026	Total unutilized amount	Remarsks if any
1	Funding working capital requirements of our company	NA	48.90 Cr	NA	28.90 Cr.	20.00 Cr.	NA
2	Repayment/prepayment of all or certain of our borrowings availed of by our Company	NA	41.83 Cr	NA	41.83 Cr.	0	NA
3	General corporate purposes	NA	9.97 Cr.	NA	4.97 Cr.	5.00 Cr.	NA
	Total	-	**100.70 Cr.**	-	**75.70 Cr.**	**25.00 Cr.**	-

26. PROCEEDINGS INITIATED/PENDING AGAINST YOUR COMPANY UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the Business of the Company.

27. DISCLOSURES

Share Capital

The Company's Authorized Equity Capital as on March 31, 2026 was ₹ 250,000,000 comprising of 25,000,000 Equity Shares of ₹ 10/- each fully paid up.

During the year the company had come up with an Initial Public Offer of 56,99,600 Equity Shares and offer for sale of 10,00,000 Equity Shares at price of ₹ 10 Per Equity Share including Share Premium of ₹ 181 Per Equity Share and raised fund of ₹ 127,96,23,600/- (Rupees One Hundred Twenty-Seven Crore Ninety-Six Lakhs Twenty-Three Thousand Six Hundred Only).

The Company's paid up Equity Capital as on March 31, 2026 was ₹ 246,546,000 comprising of 24,654,600 Equity Shares of ₹ 10/- each fully paid up.

The company has listed its equity shares on the BSE Limited on 30th September, 2025.

Listing on Stock Exchange

The Equity Shares of the Company were listed on the BSE Limited (Bombay Stock Exchange Limited- SME Platform) since September 30, 2025. The Board of Directors of the Company, in their meeting held on March 13, 2025, had proposed the Listing of equity share of the Company on Bombay Stock Exchange Limited. The members of the Company, through Extra Ordinary General Meeting, on March 13, 2025 had also approved the proposed listing of equity shares of the Company on Bombay Stock Exchange Limited.

The BSE has granted listing approval for the Listing of equity shares of the company on BSE vide letter dated September 29, 2025 and the equity shares of the Company are listed and traded on the BSE with effect from September 30, 2025.

The Company confirms that it has paid Annual Listing Fee for the Financial Year 2025-26 to the Bombay Stock Exchange Limited.

Stock Code of the Company

ISIN	:	INE1LDV01015
Scrip Code	:	Truecolors/544531
Type of Shares	:	Equity Shares
No. of paid-up shares	:	246546000

Name of the Stock Exchange:

Bombay Stock Exchange Ltd. (On BSE SME platform)

Floor 25, P J Towers, Dalal Street, Mumbai – 400 001

Tel.: 022-22721234/33

Email: corp.comm@bseindia.com

Registrar and Share Transfer Agent

M/s. Bigshare Services Private Limited

Office No. S6 - 2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai - 400093, Maharashtra, India
Tel.: +91-22 6263 8200
E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com

Share Transfer System

The Company's shares are compulsorily traded in dematerialized mode. The dematerialized shares are transferable through the depository system. The power of share transfer has been delegated to the designated officials of Registrar & Transfer Agent of the Company, **Bigshare Services Private Limited**. The Registrar & Transfer Agent processes the share transfers within a period of fifteen days from the date of receipt of the transfer documents.

The Company has also carried out Quarterly Secretarial Audit for the reconciliation of Share Capital as required under SEBI circular no. 16 dated 31st December, 2002.

Investor Helpdesk

Shareholders/Investors can also send their queries through e-mail to the Company at investorgrievance@truecolorsgroup.com. This designated e-mail has also been displayed on the Company's website www.truecolorsgroup.com under the section Investor contact.

Distribution of Shareholding

(as on 31st March, 2026)

a. On the basis of Shares held

SHAREHOLDING OF NOMINAL	No. of Shareholders	% of Shareholders	SHARE AMOUNT	% of Shares
5001 to 10000	732	45.3121	4392000	1.7814
10001 to 20000	537	33.1686	7224000	2.9301
20001 to 30000	87	5.3737	2262000	0.9175
30001 to 40000	36	2.2236	1302000	0.5281
40001 to 50000	37	2.2854	1686000	0.6838
50001 to 100000	76	4.6943	5316930	2.1566
100001 to 9999999	114	7.0414	224363070	91.0025
TOTAL	**1619**	**100.00**	**246546000**	**100.00**

b. On the basis of Category

Sr. No.	Description	No. of members		No. of shares	
		Nos.	%	Nos.	%
	Promoters Holding	-	-	-	-
	Directors & Relatives	9	0.6009	16984048	68.8879
	Bodies Corporate	-	-	-	-
	Non-Promoter Holding	-	-	-	-
	Institutions	-	-	-	-
	Alternate Investment Funds	16	-	2076992	8.4244
	Banks	1	-	26400	0.1071
	Insurance Companies	1	-	28200	0.1144
	Other Financial Institutions	1	-	5400	0.0219
	Institutions (Foreign)	-	-	-	-
	Foreign Portfolio Investors Category I	4	-	189000	0.7666
	Non-Institutions	-	-	-	-
	Resident Individual	1389	-	4315218	17.5026
	HUF	82	-	244614	0.9922
	NON-RESIDENT INDIANS (NRIs)	57	-	148200	0.6011
	Foreign Individuals or NRI	-	-	-	-
	Bodies Corporate	27	-	521328	2.1145
	Non-Resident Indian Non Repatriable	-	-	-	-
	Any other (clearing member)	4	-	115200	0.4673
	Total:	**1591**	**100.00**	**24654600**	**100.00**

Change in Shareholders Details

In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialization of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to Registrar & Share Transfer Agent of the Company, Bigshare Services Private Limited, as per address mentioned above.

Nomination Facility

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members, who are holding shares in physical mode and have not appointed nominee or want to change the nomination, are requested to send us nomination form duly filed in and signed by all the joint holders.

Outstanding GDRS/ADRS/Warrants/Any Other Convertible Instruments

The Company does not have any outstanding instruments of the captioned type.

Details of Dividend

The Company has not declared dividend in the past.

Details of Unpaid Dividend

Since, the Company has not paid any dividend, in past years and so there is no unpaid dividend amount.

Plant and Factory Location: **True Colors Limited** Plot No. 44 & 51, Rajhans Zesto, Kalakachha Jalalpore (Near Palasana Cross Road) Navsari- 396415, Gujarat, India Tel: +91 9274335001 E-mail: info@truecolorsgroup.com Website: www.truecolorsgroup.com CIN: L17299GJ2021PLC126265	**Address for Correspondence** **True Colors Limited** True Colors House, P-8, Gr Flr to 3rd Flr Somakanjini Wadi, Patel Line, Khatodara, Surat-395002, Gujarat, India.

Vigil Mechanism & Whistle Blower Policy:

Your Company has established a vigil mechanism as pursuant Section 177(9) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, to tackle the circumstances occurred in the organization such as fraud, misrepresentation etc. The vigil mechanism shall provide for adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee.

The Company has also adopted a Vigil Mechanism/Whistle Blower Policy. The Policy was approved by the Board and same has been uploaded on the Company's website: https://truecolorsgroup.com/wp-content/uploads/2026/05/3.-Whistle-Blower-Policy.pdf

Prevention of Sexual Harassment of Women at Workplace

To foster a positive workplace environment, free from harassment of any nature, the company has institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. The Company has setup an Internal Complaints Committee (ICC) for redressal of Complaints.

number of complaints of sexual harassment received in the year 2025-26 = Nil

number of sexual harassment complaints disposed off during the year 2025-26 = Nil

number of sexual harassment cases pending for more than ninety days during the year 2025-26 = Nil

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

The Company has a Prohibition of Insider Trading Policy and the same has been posted on the website of the Company at: https://truecolorsgroup.com/wp-content/uploads/2025/04/14.-Policy-on-disclosures-and-Internal-Procedure-for-Prevention-of-Insider-Trading.pdf

Code of Conduct

The Board has laid down a code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. In this regard certificate from Managing Director as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given in **"Annexure VI".**

Monitoring Agency Report

Pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, the utilization of proceeds raised by the Company is being monitored by **Crisil Ratings Limited**. The Monitoring Agency has submitted its report for the relevant period, which was placed before the Board of Directors.

The Board has reviewed the report and notes that there are no deviations or variations in the utilization of the proceeds from the objects stated in the offer document/notice.

The Monitoring Agency Report has been submitted to the Stock Exchange(s) and is available on the Company's website.

Maternity Benefit Act 1961

The Company has complied with the provisions relating to the Maternity Benefit Act 1961.

Insurance

The assets of your Company have been adequately insured.

28. MATERIAL ORDER PASSED BY THE COURT

The Company has not received any material order passed by the Court during the F.Y. 2025-26.

29. GENERAL DISCLOSURE

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions occur on these items during the year under review.

(i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;

(ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;

(iii) There is no revision in the Board Report or Financial Statement;

(iv) There has been no one time settlement of loans taken from banks and financial institution.

ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company’s executives, staff and workers.

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

“Annexure I”

COMPLIANCE CERTIFICATION IN ACCORDANCE WITH REGULATION 17(8) AND 33(2) (A) OF SEBI (LODR), 2015.

I, Sagarkumar Bipinbhai Mulani, Chief Financial Officer of the True Colors Limited, certify that:

A. I have reviewed the financial statements and Cash Flow Statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements together present a true and fair view of the listed entity’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity’s code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

I have indicated to the Auditors and the Audit committee:

1. Significant changes in internal control over financial reporting during the year;

2. Significant changes in accounting policies during the year;

3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity’s internal control system over financial reporting.

For **True Colors Limited**

Sd/-
Mr. Sagarkumar Bipinbhai Mulani
Chief Financial Officer (CFO)

Date: September 03, 2026
Place: Surat

Compliance Certification In Accordance With Regulation 17(8) And 33(2) (A) Of Sebi (Lodr), 2015.

I, Satishkumar Jayantibhai Panchani, Chief Executive Officer of the True Colors Limited, certify that:

A. I have reviewed the financial statements and Cash Flow Statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:

   1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

I have indicated to the Auditors and the Audit committee:

1. Significant changes in internal control over financial reporting during the year;

2. Significant changes in accounting policies during the year.

3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **True Colors Limited**

Sd/-
Mr. Satishkumar Jayantibhai Panchani
Chief Executive Officer (CEO)

Date: September 03, 2026
Place: Surat

"Annexure II"

FORM NO. AOC-2

Particulars of Contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March, 2026, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

There were no material contracts or arrangements or transactions entered in to during the year ended on 31st March, 2026, which were at arm's length basis.

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	A D Impex – Spouse of Director is proprietor	Purchase and Sale of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Sales ₹ 46.44 Lakhs Purchase ₹ 159.11 Lakhs	April 05, 2025	Nil
2	Heerva Enterprise – Spouse of Director is proprietor	Purchase of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Purchase ₹ 34.57 Lakhs	April 05, 2025	Nil
3	Inkia Inks Private Limited – Director having control over Entity	Purchase and Sale of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Sales ₹ 429.96 Lakhs Purchase ₹ 1723.24 Lakhs	April 05, 2025	Nil
4	Fresha Fashion –Director as a Proprietor	Sale of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Sales ₹ 30.00 Lakhs Purchase ₹ 192.17 Lakhs	April 05, 2025	Nil
5	Fabcurate Private Limited – Director having control over Entity	Purchase and Sale of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Sales ₹ 129.56 Lakhs Purchase ₹ 12.53 Lakhs	April 05, 2025	Nil
6	P D Print – Brother of Director	Purchase of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Purchase ₹ 37.12 Lakhs	April 05, 2025	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis: (Contd.)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
7	Tjet Technology –Director has significant share in partnership firm	Purchase of goods	F.Y. 2025-26	All transactions entered by the Company are in the ordinary course of business and on arms' length basis Purchase ₹ 13.64 Lakhs	April 05, 2025	Nil

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

"Annexure III"

ANNUAL REPORT ON

Corporate Social Responsibility (CSR) Activities For The Financial Year 2025-26

1. Brief Outline on Csr Policy of the Company:

Longevity and success for a company comes from living in harmony with the context, which is the community and society. The main objective of CSR Policy of the Company encompasses the ideas of corporate governance, sustainable wealth creation, corporate philanthropy and advocacy for the goals of the community. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013. Our CSR initiatives focus on CSR projects as provided under Schedule VII.

The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the company.

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at https://truecolorsgroup.com/wp-content/uploads/2025/04/16.-CSR-Policy.pdf.

2. Composition of CSR Committee:

Name of Director	Designation	Designation in Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Satishkumar Jayantibhai Panchani	CEO & Director	Chairperson	1	1
Mr. Sanjay Raghubhai Desai	Managing Director	Member	1	1
Mr. Bhavesh Vinodchandra Singapuri	Independent Director	Member	1	1

3. Web Link of the Website of the Company for Composition of CSR Committee, CSR Policy and CSR Projects Approved by the Board:

Composition of CSR committee: https://truecolorsgroup.com/committees/

CSR Policy and Projects: https://truecolorsgroup.com/wp-content/uploads/2025/04/16.-CSR-Policy.pdf

4. Executive Summary Along With Web-Link(S) of Impact Assessment of CSR Projects Carried out in Pursuance of Sub-Rule (3) of Rule 8, if Applicable:

Not Applicable for the financial year under review.

5.

	Particulars	Amount (₹ in Lakh)
(a)	Average net profit of the company as per sub-section (5) of section 135	1,671.97
(b)	Two percent of average net profit of the Company as per Section 135(5)	33.44
(c)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	0.00
(d)	Amount required to be set-off for the financial year, if any	0.00
(e)	Total CSR obligation for the financial year ((b)+(c)-(d))	33.44

6.

	Particulars	Amount (₹ in Lakh)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	33.44
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total Amount spent for the financial year ((a)+(b)+(c))	33.44

a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account (Section 135(6))		Amount transferred to any fund specified under Schedule VII (second proviso to Section 135(5))		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 33.44 Lakh	Not Applicable		Not Applicable		

b) Details of excess amount for set-off are as follows:

Sr. No.	Particulars	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	33.44
(ii)	Total amount spent for the financial year	33.44
(iii)	Excess amount spent for the financial year [(ii)-(i)]	00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	00

7. Details of unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (₹ in lakhs	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (₹ in lakhs)	Amount Spent in the Financial Year (₹ in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of Transfer		
1.	FY-1							
2.	FY-2				NIL			
3.	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/acquired: Not applicable

(1)	(2)	(3)	(4)	(5)	(6)		
Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NOT APPLICABLE							

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5):

Not applicable

By order of the Board of Directors
For True Colors Limited

Sd/-
Mr. Satishkumar Jayantibhai Panchani
Chief Executive Officer (CEO)
DIN: 09756732

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

"Annexure IV"

PARTICULARS OF EMPLOYEES

Disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Particulars of Employee in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) The ratio of remuneration of each director to the median remuneration of employees for the financial year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration	Percentage Increase
1.	Mr. Ashishkumar Durlbhbhai Mulani	Director	Remuneration	52.90	1.90%
2.	Mr. Sanjay Raghubhai Desai	Managing Director	Remuneration	52.90	1.90%
3.	Mr. Sagarkumar Bipinbhai Mulani	Chief Financial Officer & Director	Remuneration	52.90	1.90%
4.	Mr. Satishkumar Jayantibhai Panchani	Chief Executive Officer & Director	Remuneration	52.90	1.90%
5.	Mr. Bhavesh Vinodchandra Singapuri	Independent Director	Sitting Fees	Not Applicable	Not Applicable
6.	Mr. Nanty Nalinbhai Shah	Independent Director	Sitting Fees	Not Applicable	Not Applicable
7.	Ms. Charmi Soni	Independent Director	Sitting Fees	Not Applicable	Not Applicable
8.	Ms. Javanika Gandharva*	Company Secretary & Compliance Officer	Salary	N.A.	-

*Ms. Javnika Gandharva appointed as Company Secretary & Compliance Officer w.e.f. April 05, 2025.

Notes:

Ratio against median employee's remuneration in respect of Non-Executive Directors and Independent Directors are not provided since they are not being paid any remuneration for serving the Company in capacity of Non-Executive Directors.

b) The percentage increase in the median remuneration of employees in the financial year 2025-26:

The median remuneration of the employees in current financial year was increased by 2.23% over the previous financial year, due to recruitment of lower-level staff.

c) The number of permanent employees on the rolls of the Company as on 31st March, 2026:

Nine Hundred Sixty-Three (963) Employees (excluding permanent labors)

d) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than Managerial Personnel in Financial Year 2025-26 was 2.16%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.

e) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

"Annexure V"

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
True Colors Limited
(Formerly known as True Colors Private Limited)
P-8, GR Flr to 3rd Flr, Somakanjiini Wadi Patel Line Khatodara,
Surat, Gujarat-395002, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by True Colors Limited, (formerly known as True Colors Private Limited) (CIN: L17299GJ2021PLC126265) (hereinafter referred to as 'Company'), having its Registered Office at P-8, GR Flr to 3rd Flr, Somakanjiini Wadi Patel Line Khatodara, Surat, Gujarat-395002, India. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

MANAGEMENT'S RESPONSIBILITY

The Management along with the Board of Directors are responsible for ensuring that the Company complies with the provisions of all applicable laws and maintains the required statutory records and documents in the prescribed manner.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. I have conducted the audit in accordance with the Company Secretaries Auditing Standards ("CSAS") prescribed by the Institute of Company Secretaries of India. These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS.

BASIS FOR OPINION

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

OPINION

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and provided as scanned copies in physical or electronic mode and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 (" Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("the SEBI Act"):

  a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

***(Not Applicable to the company during the audit period)**

I have also examined compliance with:

i. Applicable Secretarial Standards issued by the Institute of Company Secretaries of India; and

ii. The Listing Agreements entered into by the Company with BSE Limited in respect of listing of equity shares of the company on SME Platform of BSE Limited.

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Securities of the Company got listed on the SME Platform of BSE Limited w.e.f. September 30, 2025.

I further report that; the Company has identified the following laws as specifically applicable to the Company:

a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

b) The Minimum Wages Act, 1948

c) Employee Taxation as per Income Tax Act, 1961

d) Goods and Service Tax Act, 2017

e) Maternity Benefits Act, 1961

f) The Factories Act, 1948

g) The Employees State Insurance Act, 1948

h) The Equal Remuneration Act, 1976

i) Payment of Gratuity Act, 1972

j) Payment of Bonus Act, 1965

k) Code of Wages, 2019

l) The Environment (Protection) Act, 1986

For the compliances of Environmental Laws, Labour Laws & other General Laws, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable Environmental Laws, Labour Laws & other General Laws.

The compliance by the Company of applicable financial laws, like Direct and Indirect Tax Laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

I FURTHER REPORT THAT THE FOLLOWING MAJOR EVENTS OCCURRED DURING THE PERIOD UNDER REVIEW:

(i) The Company initiated the process for listing its equity shares on the Small and Medium Enterprises Exchange (SME Exchange) to support its growth and expansion. In this regard, the Company initially filed the Draft Red Herring Prospectus (DRHP) with the NSE Emerge Platform in April 2025. Subsequently, the Company withdrew the said DRHP on June 19, 2025. Thereafter, the Board approved the Draft Red Herring Prospectus (DRHP) on July 13, 2025, and the Company filed the same with the SME Platform of BSE Limited. The Final Red Herring Prospectus (RHP) was subsequently filed with the SME Platform of BSE Limited on September 16, 2025, in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

(ii) The Company successfully completed its Initial Public Offering (IPO) through a public issue of 66,99,600 equity shares of face value of ₹ 10 each, comprising a fresh issue of 56,99,600 equity shares and an offer for sale of 10,00,000 equity shares by the Promoter Selling Shareholders, at an issue price of ₹ 191 per equity share (including a share premium of ₹ 181 per equity share).

(iii) The Board of Directors of the Company approved the Scheme of Amalgamation on December 1st, 2025, for the amalgamation of Inkia **Inks Private Limited** ("Transferor Company") with **True Colors Limited** ("Transferee Company"). Pursuant thereto, the Company submitted an application to BSE Limited for obtaining a No Objection Certificate (NOC) under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in connection with the proposed Scheme of Amalgamation.

I further report that;

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

(ii) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent either seven days in advance or on shorter notice with requisite consent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) All decisions at Board Meetings and Committee Meetings are carried out by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Also, the Company has duly filed applicable forms and returns with the Registrar of Companies/Ministry of Corporate Affairs within the prescribed time or with additional fee in cases of delayed filings.

This Report is to be read with our letter of even date which is annexed as **"Annexure 1"** and forms an integral part of this report.

For CSA & Associates
Company Secretaries

Shubham Agarwal
Proprietor
M. No.: 73253;
C.P. No.: 28088
UDIN: A073253H001365742
Peer Review Certificate No. 6922/2025

Date: September 03, 2026
Place: New Delhi

To,

The Members,

True Colors Limited

(Formerly known as True Colors Private Limited)

P-8, GR Flr to 3rd Flr, Somakanjiini Wadi Patel Line Khatodara,

Surat, Gujarat-395002, India

Sub.: **Secretarial Audit for the Financial Year ended March 31, 2026, of even date is to be read with this letter**

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4), Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For CSA & Associates
Company Secretaries

Shubham Agarwal
Proprietor
M. No.: 73253
C.P. No.: 28088
UDIN: A073253H001365742
Peer Review Certificate No. 6922/2025

Date: September 03, 2026
Place: New Delhi

"Annexure VI"

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Sanjay Raghubhai Desai, Managing Director of **True Colors Limited** hereby declare that all the members of Board of Directors and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company for the year ended 31 March 2026.

By order of the Board of Directors
For True Colors Limited

Sd/-
Sanjay Raghubhai Desai
Managing Director
DIN: 08885162

Date: September 03, 2026
Place: Surat

Independent Auditor's Report

To The Members of TRUE COLORS LIMITED Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of M/s **TRUE COLORS LIMITED**, ("the Company") (Formally known as True Colors Private Limited) which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss and Cash Flow Statement for the period 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 me, the aforesaid 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 principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and profit for the period ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, 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.

RESPONSIBILITY OF MANAGEMENT FOR FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated 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, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 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 judgement 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, but not for the purpose 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.

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.

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 Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 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 it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the 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 the written representations received from the directors as on 31 March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2026 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 operating effectiveness of such controls are given in separate **Annexure-B**;

   g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year ended March 31, 2026, is in accordance with the provisions of Section 197 of the Companies Act, 2013. The remuneration paid to any director is not in excess of the limit laid down under this section and Schedule V of the Act. Accordingly, reporting under Section 197(16) is applicable, and the Company has complied with the prescribed provisions.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to me:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company did not declare any dividend during the year.

vi. Based on our examination, which includes test checks, the Company has used accounting software for maintaining its books of account for the period ended March 31, 2026, which has a feature of recording audit trail (edit log) facility. The same has been 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 the audit trail feature being tampered with.

As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, on the preservation of audit trail as per the statutory requirements for record retention is applicable for the period ended March 31, 2026.

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795
Place: Surat
Date: 20/05/2026

Annexure "A"

To The Independent Auditor's Report: Caro, 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by **TRUE COLORS LIMITED**, ("the Company") (Formally known as True Colors Private Limited) and the books of account and records examined by us in the normal course of audit for the year ended March 31, 2026 and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All assets have been acquired or capitalized during the year after following diligence process of verification by management.

(c) Details of title deeds of immovable properties not held in the name of the Company are as under:

Description of property	Gross carrying value ₹	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range where appropriate	Reason for not being held in name of Company - indicate if in dispute
Plot No 51, Rajhans Zesto, Kalakachha, Tal Jalalpore, Dist Navsari	20193000	Ashish D Mulani, Satish J Panchani, Sanjay R Desai and Sagar B Mulani	Direcor, Promotor and relative	-	Company has made construction on the said land. No Dispute.
Plot No 44, Rajhans Zesto, Kalakachha, Tal Jalalpore, Dist Navsari	27303000	Ashish D Mulani, Satish J Panchani, Sanjay R Desai and Sagar B Mulani	Direcor, Promotor and relative	-	Company has made construction on the said land. No Dispute.

(d) The Company has not revalued any of its property, plant and equipment including Right of Use assets and intangible assets during the year.

(e) Based upon the audit procedures performed and the information and explanations given by the Management no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) (a) As explained to us & on the basis of the records examined by us, in our opinion, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory was noticed on physical verification of stocks by the management as compared to book records.

(b) According to information and explanation to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, at any time during the year, from banks or financial institutions on the basis of security of the current assets of the Company and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) The Company has not made any investments in, not provided any guarantee or security, and not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Therefore, the provisions of sub clause (a), (b), (c) (d), (e), and (f) of paragraph 3(iii) of the order, are not applicable.

iv) The Company has provided a corporate guarantee to Athrees Electronic Private Limited, in which one of the directors of the Company is also a director. The said guarantee was given after obtaining approval of the shareholders through a special resolution in the general meeting with full disclosure of particulars, and the same has been utilized by the borrowing company for its principal business activities. Accordingly, the transaction is in compliance with the provisions of Sections 185 and 186 of the Companies Act, 2013. Except for the above, the Company has not granted any loans, made any investments, or provided any guarantees or securities to any parties requiring reporting under this clause.

v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi) Pursuant to the rules prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, the Company is required to maintain cost records in respect of its specified products/ activities. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods & Service Tax, Provident Fund, and Employees' State Insurance, Income Tax, Customs Duty, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March, 2026 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 statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of any dispute.

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, during the year, loan availed by the Company were applied for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates. The Company does not have any joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

x) (a) During the year, the Company successfully completed its Initial Public Offering (IPO) comprising a fresh issue of 56,99,600 equity shares of face value of ₹ 10 each at an issue price of ₹ 191 per share, aggregating to ₹ 108.86 Crores, along with an Offer for Sale (OFS) of 10,00,000 equity shares aggregating to ₹ 19.10 Crores. The total issue size aggregated to ₹ 127.96 Crores. In our opinion and according to the information and explanations given to us, the funds so raised were applied for the purposes for which they were raised.

The unutilised amount as at 31 March 2026 has been temporarily invested in fixed deposits accounts pending utilisation.

(b) During the year the Company has not made preferential allotment. In our opinion and according to the information and explanations given to us, the requirements of section 62 of the companies act, 2013 have been duly complied with and the fund raised have been used for the purposes for which the fund were raised.

The company has not made private placement of shares or convertible debentures (fully or partly or optionally) during the year.

xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv) The company is covered under Section 138 of the Companies Act, 2013 and rules made thereunder, and has duly appointed an Internal Auditor during the year under review. Accordingly, the requirements of clause (a) & (b) relating to Internal Audit are applicable and have been complied with by the Company.

xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

xvii) Based on our examination, the company has not incurred cash losses in the financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. clause 3(xviii) of the Order 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 and 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 indicating 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) & (b) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are applicable to the Company. The Company has complied with the requirements prescribed under the said section and the rules made thereunder during the year under review. Accordingly, the reporting requirements under clause 3(xx)(a) & (b) of the Order are applicable and have been duly complied with.

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795
Place: Surat
Date: 20/05/2026

Annexure "B"

To The Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **TRUE COLORS LIMITED** ("the Company") (Formally known as True Colors Private Limited) as of 31st March, 2026 in conjunction with our audit of the Financial Statements of the Company for the period Ended 31st March, 2026.

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. 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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, to the best of our information and according to the explanations given to us, 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 31st March, 2026, based on the criteria for internal financial control over financial reporting 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 **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795
Place: Surat
Date: 20/05/2026

Balance Sheet

As at 31-March-2026

(₹ in lacs)

Particulars		Note	31-March-2026	31-March-2025
I. EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a)	Share Capital	3	2,465.46	1,895.50
(b)	Reserves and Surplus	4	16,248.34	3,653.56
Total			**18,713.80**	**5,549.06**
(2) Non-current liabilities				
(a)	Long-term Borrowings	5	814.93	2,284.38
(b)	Deferred Tax Liabilities (net)	6	121.28	133.23
(c)	Long-term Provisions	7	149.81	71.88
Total			**1,086.02**	**2,489.48**
(3) Current liabilities				
(a)	Short-term Borrowings	8	3,781.33	2,466.60
(b)	Trade Payables	9		
	- Due to Micro and Small Enterprises		2,103.72	24.26
	- Due to Others		2,296.85	3,688.35
(c)	Other Current Liabilities	10	450.32	1,136.64
(d)	Short-term Provisions	11	233.78	143.33
Total			**8,866.00**	**7,459.18**
Total Equity and Liabilities			**28,665.82**	**15,497.72**
II. ASSETS				
(1) Non-current assets				
(a)	Property, Plant and Equipment and Intangible Assets			
	(i) Property, Plant and Equipment	12	7,960.87	4,729.65
	(ii) Intangible Assets		1.78	2.26
	(iii) Capital Work-in-progress	12	211.38	77.14
(b)	Non-current Investments	13	2,396.27	-
(e)	Other Non-current Assets	14	165.36	124.57
Total			**10,735.66**	**4,933.62**
(2) Current assets				
(a)	Current Investments	15	303.91	-
(b)	Inventories	16	4,299.07	3,590.93
(c)	Trade Receivables	17	11,112.21	5,660.09
(d)	Cash and cash equivalents	18	127.02	725.77
(e)	Short-term Loans and Advances	19	1,708.83	435.40
(f)	Other Current Assets	20	379.12	151.90
Total			**17,930.16**	**10,564.10**
Total Assets			**28,665.82**	**15,497.72**

See accompanying notes to the financial statements

As per our report of even date

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

For and on behalf of the Board of
TRUE COLORS LIMITED

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795

Ashishkumar D mulani
Chairman & Director
DIN: 08900639

Satishkumar Panchani
CEO & Director
DIN: 09756732
Place: Surat
Date: 20/05/2026

Place: Surat
Date: 20/05/2026

Sagarkumar B Mulani
CFO
DIN: 08885161

Javanika Gandharva
CS & Compliance Officer
M. No.: A42880
Place: Surat
Date: 20/05/2026

Statement of Profit and loss

For the year ended 31-March-2026

(₹ in lacs)

Particulars	Note	31-March-2026	31-March-2025
Revenue from Operations	21	30,154.74	23,336.55
Other Income	22	49.62	68.69
Total Income		**30,204.36**	**23,405.24**
Expenses			
Cost of Material Consumed	23	8,600.69	6,369.11
Purchases of Stock in Trade	24	10,554.21	7,494.54
Change in Inventories of work in progress and finished goods	25	(420.31)	(266.58)
Employee Benefit Expenses	26	3,466.46	1,984.79
Direct Expense	27	2,087.65	2,664.98
Finance Costs	28	539.97	468.94
Depreciation and Amortization Expenses	29	472.64	342.59
Other Expenses	30	1,194.53	1,048.72
Total expenses		**26,495.84**	**20,107.09**
Profit/(Loss) before Exceptional and Extraordinary Item and Tax		**3,708.52**	**3,298.15**
Exceptional Item		-	-
Profit/(Loss) before Extraordinary Item and Tax		**3,708.52**	**3,298.15**
Extraordinary Item	31	10.64	53.24
Profit/(Loss) before Tax		**3,697.88**	**3,244.91**
Tax Expenses	32		
- Current Tax		765.94	756.51
- Tax Adjustment on Account of Change in Tax Regime		(171.74)	-
- Deferred Tax		(11.95)	65.88
Profit/(Loss) after Tax		**3,115.63**	**2,422.52**
Earnings Per Share (Face Value per Share ₹.10 each)			
- Basic (In ₹)	33	14.28	13.55
- Diluted (In ₹)	33	14.28	13.55

See accompanying notes to the financial statements

As per our report of even date

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

For and on behalf of the Board of
TRUE COLORS LIMITED

CA Shailesh Lakhankiya
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Place: Surat
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Place: Surat
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Sagarkumar B Mulani
CFO
DIN: 08885161

Javanika Gandharva
CS & Compliance Officer
M. No.: A42880
Place: Surat
Date: 20/05/2026

Cash Flow Statement

For the year ended 31-March-2026

(₹ in lacs)

Particulars	Note	31-March-2026	31-March-2025
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		3,697.88	3,306.86
Profit/(loss) from Discontinuing Operation (after tax)		-	-
Depreciation and Amortisation Expense		472.64	342.59
Provision for tax		-	-
Effect of Exchange Rate Change		36.08	(16.60)
Loss/(Gain) on Sale/Discard of Assets (Net)		-	-
Bad debt, provision for doubtful debts		-	-
Net Loss/(Gain) on Sale of Investments		-	-
Non Cash Expenses		82.27	16.74
Dividend Income		-	-
Interest Income		(76.90)	(11.73)
Finance Costs		516.70	438.90
Operating Profit before working capital changes		**4,728.66**	**4,076.75**
Adjustment for:			
Inventories		(708.13)	(941.85)
Trade Receivables		(5,452.12)	(3,091.54)
Loans and Advances		(117.12)	-
Other Current Assets		(1,424.32)	-
Other Non current Assets		-	-
Trade Payables		651.88	1,256.91
Other Current Liabilities		(669.84)	288.93
Long term Liabilities		-	-
Short-term Provisions		154.61	-
Long-term Provisions		77.93	-
Cash (Used in)/Generated from Operations		(2,758.45)	1,589.20
Tax paid(Net)		740.63	673.72
Net Cash (Used in)/Generated from Operating Activities		**(3,499.08)**	**915.47**
Cash Flow From Investing Activities			
Purchase of Property, Plant and Equipment		(3,837.61)	(1,177.89)
Sale of Property, Plant and Equipment		-	-
Purchase of Investments Property		-	-
Sale of Investment Property		-	-
Purchase of Equity Instruments		-	-
Proceeds from Sale of Equity Instruments		-	-
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		-	-
Proceeds from Sale/Redemption of debentures or bonds		-	-
Purchase of Other Investments		-	-
Sale/Redemption of Other Investments		-	-
Loans and Advances given		-	-
Proceeds from Loans and Advances		-	-
Investment in Term Deposits		(2,700.19)	184.96
Maturity of Term Deposits		-	-
Movement in other non current assets		-	-
Interest received		76.90	11.73
Dividend received		-	-
Net Cash (Used in)/Generated from Investing Activities		**(6,460.90)**	**(981.20)**

Cash Flow Statement (Contd.)

For the year ended 31-March-2026

(₹ in lacs)

Particulars	Note	31-March-2026	31-March-2025
Cash Flow From Financing Activities			
Proceeds from Issue of Share Capital		10,049.12	1,614.60
Buyback of Shares		-	-
Proceeds from Long Term Borrowings		(1,469.45)	(47.89)
Repayment of Long Term Borrowings		-	-
Proceeds from Short Term Borrowings		1,314.73	(856.69)
Repayment of Short Term Borrowings		-	-
Minority Interest Movement		-	-
Dividends Paid (including Dividend Distribution Tax)		-	-
Interest Paid		(533.17)	(423.32)
Net Cash (Used in)/Generated from Financing Activities		**9,361.22**	**286.70**
Net Increase/(Decrease) in Cash and Cash Equivalents		(598.75)	220.98
Opening Balance of Cash and Cash Equivalents		725.77	504.79
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
Closing Balance of Cash and Cash Equivalents	**18**	**127.02**	**725.77**
Components of cash and cash equivalents			
Cash on hand		6.93	19.87
Cheques, drafts on hand		-	-
Balances with banks in current accounts		120.08	520.92
Bank Deposit having maturity of less than 3 months		-	184.98
Others		-	-
Cash and cash equivalents as per Cash Flow Statement		**127.02**	**725.77**
Other Bank Balance			
Bank Deposit having maturity of greater than 3 months and less than 12 months		-	-
Bank Deposit having maturity of greater than 12 months		-	-
Less: Deposits reclassified to other non current assets		-	-
Cash and bank balance as per Balance Sheet		**127.02**	**725.77**

Note:

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

See accompanying notes to the financial statements

As per our report of even date

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

For and on behalf of the Board of
TRUE COLORS LIMITED

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795

Ashishkumar D mulani
Chairman & Director
DIN: 08900639

Satishkumar Panchani
CEO & Director
DIN: 09756732
Place: Surat
Date: 20/05/2026

Place: Surat
Date: 20/05/2026

Sagarkumar B Mulani
CFO
DIN: 08885161

Javanika Gandharva
CS & Compliance Officer
M. No.: A42880
Place: Surat
Date: 20/05/2026

Notes forming part of the Financial Statements

1. COMPANY INFORMATION

TRUE COLORS LIMITED (Formerly Krow as TRUE COLORS PRIVATE LIMITED) (the'Company') is a limited Company domiciled in India having CIN:LI7299GJ202IPTCI26265. The registered office of the Company is located at P- 8, GR Flr to 3rd Flr, Somakanjini Wadi Patel Line Khatodara, Surat, Gujarat, India,395002. The Company is engaged in the business oftrading,manufacturing and textile printing jobwork.

During the year, the equity shares of the Company were listed on the SME Platform of BSE SME with effect from 30 September 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle. Based on the nature of products and time elapsed between deployment of resources and the realisation in cash and cash equivalents ofthe consideration for such goods sold, the Company has considered an operating cycle of 12 months.

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

b. Use of Estimates

The preparation of financial statements in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of the financial statements.

Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results may differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods in which the results are known or materialized.

c. Tangible assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

d. Depreciation and amortization

Depreciation has been provided on the Fixed Asset on the WDV method and in accordance with the useful life of the Asset as prescribed under Schedule II of the Companies Act, 2013.

The useful life of the Assets has been taken as below:

Type of Assets	Useful Life
Buildings	30 Years
Plant and Equipment	15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Office equipment	5 Years
Computers	3 Years

e. Impairment of assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

f. Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

g. Investment

Long-term investments and current maturities of long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds, government securities and bonds are stated at the lower of cost and fair value.

Notes forming part of the Financial Statements (Contd.)

h. Inventories

Raw materials are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at lower of cost and net realisable value. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

The valuation for inventories is as follows:

Classification	Valuation Policy
Finished Goods	At lower of cost or net realizable value.
Raw Material	At lower of cost or net realizable value.
WIP	At Cost
Consumables	At Cost

i. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

j. Revenue recognition

Revenue from sale of goods is recognized at the point in time when significant risks and rewards of ownership are transferred to the customer, generally upon delivery of goods and acceptance by the customer. Revenue is measured net of returns, trade discounts, rebates, Goods and Services Tax (GST), and other similar levies collected on behalf of the government.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

k. Retirement benefits to employees

a. Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method.

b. Provident fund

Eligible employees receive benefits from a Provident Fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the Provident Fund plan equal to a specified percentage of the covered employee's salary.

l. Foreign currency transactions

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Revenue, expense and cash flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

m. Taxation

Current income tax expense comprises taxes on income arising from operations in India. Income tax payable is determined in accordance with the provisions of the Income Tax Act, 1961, as amended from time to time.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

n. Earnings Per Shares

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all dilutive potential equity shares into equity shares.

Notes forming part of the Financial Statements (Contd.)

O. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

As per our report of even date

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

For and on behalf of the Board of
TRUE COLORS LIMITED

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795

Ashishkumar D mulani
Chairman & Director
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Place: Surat
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Sagarkumar B Mulani
CFO
DIN: 08885161

Javanika Gandharva
CS & Compliance Officer
M. No.: A42880
Place: Surat
Date: 20/05/2026

Notes forming part of the Financial Statements (Contd.)

3. SHARE CAPITAL

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Authorised Share Capital		
Equity Shares, of ₹ 10 each, 25000000 (Previous Year - 25000000) Equity Shares	2,500.00	2,500.00
Issued, Subscribed and Fully Paid up Share Capital		
Equity Shares, of ₹ 10 each, 24654600 (Previous Year - 18955000) Equity Shares paid up	2,465.46	1,895.50
Total	**2,465.46**	**1,895.50**

During the financial year 2025-26, the Company successfully completed its Initial Public Offering (IPO) comprising a fresh issue of 56,99,600 equity shares of face value of ₹ 10 each at an issue price of ₹ 191 per share, aggregating to ₹ 108.86 Crores, along with an Offer for Sale (OFS) of 10,00,000 equity shares aggregating to ₹ 19.10 Crores. The total issue size aggregated to ₹ 127.96 Crores.

The equity shares of the Company were listed on the SME Platform of BSE Limited with effect from 30 September 2025.

(i) Reconciliation of number of shares

Particulars	31-March-2026		31-March-2025	
Equity Shares	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
Opening Balance	1,89,55,000	1,895.50	4,72,500	47.25
Issued during the year	66,99,600	669.96	1,84,82,500	1,848.25
Deletion	10,00,000	100.00	-	-
Closing balance	**2,46,54,600**	**2,465.46**	**1,89,55,000**	**1,895.50**

(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-2026		31-March-2025	
Name of Shareholder	No. of shares	In %	No. of shares	In %
Ashishkumar Durlabhbhai Mulani	42,28,499	17.15%	44,84,950	23.66%
Sanjay raghubhai Desai	42,28,499	17.15%	44,84,950	23.66%
Satishkumar Jayantibhai Panchani	42,32,299	17.17%	44,88,750	23.68%
Sagarkumar Bipinbhai Mulani	42,28,499	17.15%	44,84,950	23.66%

(iv) Shares held by Promoters at the end of the year 31-March-2026

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Ashishkumar Durlabhbhai Mulani	Equity	42,28,499	17.15%	-6.51%
Sanjay raghubhai Desai	Equity	42,28,499	17.15%	-6.51%
Satishkumar Jayantibhai Panchani	Equity	42,32,299	17.17%	-6.51%
Sagarkumar Bipinbhai Mulani	Equity	42,28,499	17.15%	-6.53%
Dakshaben Ashishkumar Mulani	Equity	3,800	0.02%	0.01%

Notes forming part of the Financial Statements (Contd.)

(iv) Shares held by Promoters at the end of the year 31-March-2026 (Contd.)

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Bhavikaben sagarkumar Mulani	Equity	3,800	0.02%	0.01%
Komal Sanjay Desai	Equity	3,800	0.02%	0.01%
Hetalben lalabhai Desai	Equity	3,000	0.01%	0.01%
Paresh ragubhai desai	Equity	51,852	0.21%	0.21%

Shares held by Promoters at the end of the year 31-March-2025

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Ashishkumar Durlabhbhai Mulani	Equity	44,84,950	23.66%	-23.68%
Sanjay raghubhai Desai	Equity	44,84,950	23.66%	-1.32%
Satishkumar Jayantibhai Panchani	Equity	44,88,750	23.68%	23.68%
Sagarkumar Bipinbhai Mulani	Equity	44,84,950	23.66%	-1.32%
Dakshaben Ashishkumar Mulani	Equity	3,800	0.02%	0.02%
Bhavikaben sagarkumar Mulani	Equity	3,800	0.02%	0.02%
Komal Sanjay Desai	Equity	3,800	0.02%	0.02%

4. RESERVES AND SURPLUS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Securities Premium		
Opening Balance	1,615.70	-
Add: Issue of Shares	12,126.28	1,615.70
Less: Deletion	2,647.12	-
Closing Balance	11,094.86	1,615.70
Statement of Profit and loss		
Balance at the beginning of the year	2,037.86	1,316.34
Add: Profit/(loss) during the year	3,115.63	2,422.52
Less: Bonus Shares	-	1,701.00
Balance at the end of the year	**5,153.48**	**2,037.86**
Total	**16,248.34**	**3,653.56**

5. LONG TERM BORROWINGS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Secured Term loans from banks	814.93	2,284.38
Total	**814.93**	**2,284.38**

6. DEFERRED TAX LIABILITIES NET

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Deferred Tax Liability	121.28	133.23
Total	**121.28**	**133.23**

Notes forming part of the Financial Statements (Contd.)

7. LONG TERM PROVISIONS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Provision for employee benefits		
- Provision For Leave Encashment	38.98	-
- Provision For Gratuity	110.83	71.88
Total	**149.81**	**71.88**

8. SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Current maturities of long-term debt	42.66	587.64
Secured Loans repayable on demand from banks	3,732.51	1,878.96
Unsecured Loans repayable on demand from banks	6.16	-
Total	**48.82**	**2,466.60**

Term loan as well as short-lerm borrowing from a bank are secured by equitable mortgage of building and hypothecation of work-in-progress, finished goods, book debts, movable plant & machinery, vehicles and guaranteed by directors.

Short-term borrowing from a bank is repayable on demand and is secured by hypothecation of inventories and book debts and equitable mortgage of factory land and building and personal guarantee of the Directors.

9. TRADE PAYABLES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Due to Micro and Small Enterprises	2,103.72	24.26
Due to others		
- Creditor for Commission	14.75	-
- Others	2,282.10	3,688.35
Total	**4,400.57**	**3,712.61**

9.1 Trade Payable ageing schedule as at 31-March-2026

(₹ in lacs)

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	2,078.26	25.46	-	-	2,103.72
Others	2,173.03	115.75	8.06	-	2,296.85
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**4,400.57**
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**4,400.57**

Notes forming part of the Financial Statements (Contd.)

9.1 Trade Payable ageing schedule as at 31-March-2025

(₹ in lacs)

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	24.26	-	-	-	24.26
Others	3,437.99	250.36	-	-	3,688.35
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-		-	-
Sub total	**-**	**-**	**-**	**-**	**3,712.61**
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**3,712.61**

10. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Interest accrued and due on borrowings	-	16.48
Statutory dues	67.07	42.32
Salaries and wages payable	222.13	147.53
Advances from customers	158.96	862.30
Other payables		
- Audit Fees Payable	2.16	0.36
- Creditor for Commission	-	67.65
Total	**450.32**	**1,136.64**

11. SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Provision for employee benefits		
- Provision for Gratuity	2.50	1.86
- Provision For Leave Encashment	3.70	-
Provision for income tax	110.64	126.02
Provision for others		
- Interest On Msme Creditors Payable	98.05	-
- Provision for Electricity Exp	18.89	15.45
Total	**233.78**	**143.33**

Notes forming part of the Financial Statements (Contd.)

12. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As on 01-Apr-25	Addition	Deduction	As on 31-Mar-26	As on 01-Apr-25	Addition	Deduction	As on 31-Mar-26	As on 31-Mar-26	As on 31-Mar-25
(i) Property, Plant and Equipment										
Boilers	224.56	202.74	-	427.30	43.07	36.90	-	79.97	347.33	181.49
Buliding	668.15	492.32	-	1,160.47	29.72	27.73	-	57.45	1,103.02	638.43
Compuer Systems	86.50	26.96	-	113.46	31.77	29.72	-	61.49	51.97	54.73
Electrification	190.88	43.42	-	234.30	21.57	19.87	-	41.44	192.86	169.31
Furniture	126.79	35.16	-	161.95	17.37	13.33	-	30.70	131.25	109.42
Office Equpments	140.70	34.60	-	175.30	35.29	27.75	-	63.04	112.26	105.41
Plant Machinary	3,318.60	2,452.27	-	5,770.87	253.61	286.73	-	540.34	5,230.53	3,064.99
Solar	306.15	250.42	-	556.57	14.98	14.90	-	29.88	526.69	291.17
Vehicle	128.25	-	-	128.25	13.55	15.23	-	28.78	99.47	114.70
New Land	-	165.50		165.50	-	-	-	-	165.50	-
Total	**5,190.58**	**3,703.37**	**-**	**8,893.95**	**460.93**	**472.16**	**-**	**933.09**	**7,960.87**	**4,729.65**
Previous Year	**4,027.20**	**1,160.33**	**-**	**5,187.53**	**118.51**	**341.62**	**-**	**460.14**	**4,727.39**	**3,905.64**
(ii) Intangible Assets										
Software	3.05	-	-	3.05	0.79	0.48		1.27	1.78	2.26
Total	**3.05**	**-**	**-**	**3.05**	**0.79**	**0.48**	**-**	**1.27**	**1.78**	**2.26**
Previous Year	**-**	**3.05**	**-**	**3.05**	**0.31**	**0.48**	**-**	**0.79**	**2.26**	**2.74**
(iii) Capital Work-in-progress	**77.14**	**2014.38**	**1880.14**	**211.38**	**-**	**-**	**-**	**-**	**211.38**	**77.14**

Notes forming part of the Financial Statements (Contd.)

13. NON CURRENT INVESTMENTS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Other non-current investments		
- FIXED DIPOSIT	2,396.27	-
Total	**2,396.27**	**-**

14. OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Security Deposits		
- DGVCL SECURITY DEPOSITE	106.01	66.80
- Membership Deposit (PAPER ASSOCIATION)	0.60	0.60
- Membership Fees of Gujarat Eco Textile Park Plant	51.00	51.00
- TORRENT POWER LIMITED (TCP)	7.75	6.17
Total	**165.36**	**124.57**

15. CURRENT INVESTMENTS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Other current investments		
- FIXED DIPOSIT	303.91	-
Total	**303.91**	**-**

16. INVENTORIES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Raw materials	1,831.96	1,544.13
Finished goods	2,467.11	2,046.80
Total	**4,299.07**	**3,590.93**

17. TRADE RECEIVABLES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Unsecured considered good	11,112.21	5,660.09
Total	**11,112.21**	**5,660.09**

17.1 Trade Receivables ageing schedule as at 31-March-2026

(₹ 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	8,647.69	1,240.29	1,156.61	58.24	9.38	11,112.21
Undisputed Trade Receivables - considered doubtful	-	-		-	-	-
Disputed Trade Receivables considered good	-	-		-	-	-
Disputed Trade Receivables considered doubtful	-	-		-	-	-
Sub total	**-**	**-**		**-**	**-**	**11,112.21**
Undue - considered good	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**11,112.21**

Notes forming part of the Financial Statements (Contd.)

17.1 Trade Receivables ageing schedule as at 31-March-2025

(₹ 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	5,440.88	135.88	77.75	-	5.58	5,660.09
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**-**	**5,660.09**
Undue - considered good	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**5,660.09**

18. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Cash on hand	6.94	19.87
Balances with banks in current accounts	120.08	520.92
Bank Deposit having maturity of less than 3 months	-	184.98
Total	**127.02**	**725.77**

19. SHORT TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Loans and advances to employees	35.28	21.22
Advances to suppliers	1,618.24	390.35
Prepaid Expense	55.31	23.83
Total	**1,708.83**	**435.40**

20. OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
GST Receivable	251.36	151.90
Other current assets	127.76	-
Total	**379.12**	**151.90**

21. REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Sale of products		
- High Sea Sales Transfer Income	63.40	-
- Others	25,562.40	19,942.21
Sale of services	4,528.94	3,394.34
Total	**30,154.74**	**23,336.55**

Notes forming part of the Financial Statements (Contd.)

22. OTHER INCOME

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Interest Income	76.90	11.73
Export incentive	6.73	-
Foregin Exchange Difference	(36.08)	16.60
other operating income	1.43	40.00
Short- Excess It Tax	-	0.36
Other income	0.64	-
Total	**49.62**	**68.69**

23. COST OF MATERIAL CONSUMED

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Raw Material Consumed		
Opening stock	1,544.13	868.86
Purchases	8,888.51	7,044.38
Less: Closing stock	1,831.96	1,544.13
Total	**8,600.69**	**6,369.11**

24. PURCHASES OF STOCK IN TRADE

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Freight Inward Exp (Import Unit)	0.01	-
Gst Foc Purchase	(684.21)	(484.97)
Gst Ink Purchase	3,844.21	3,170.16
Gst Ink Purchase Moowr	849.38	1,483.86
Gst Machine purchase	3,584.86	1,525.99
Gst Machine purchase Moowr	-	12.96
Gst Spare Parts Purchase	1,570.37	1,096.05
High seas Purchase	1,389.59	682.45
Rate Difference 18% Purchase	-	8.11
Spare Parts Rate Diffrence 18%	-	(0.07)
Total	**10,554.21**	**7,494.54**

25. CHANGE IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Opening Inventories		
Finished Goods	2,046.80	1,780.22
Less: Closing Inventories		
Finished Goods	2,467.11	2,046.80
Total	**(420.31)**	**(266.58)**

Notes forming part of the Financial Statements (Contd.)

26. EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Director Remuneration	305.58	27.50
Salaries and wages	2,889.38	1,830.96
Contribution to provident and other funds	195.96	95.03
Staff welfare expenses	75.54	31.30
Total	**3,466.46**	**1,984.79**

27. DIRECT EXPENSE

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Cess Charges	20.33	33.55
Chemical Expense	1.66	229.54
Clearing and Forwarding Charges	4.28	5.02
Custom Duty	466.18	423.10
Design Jobwork	2.02	-
Discount Receive	(0.05)	-
Factory expenses	10.43	-
INK Shipping Line Charge	8.99	-
Packing Expense	1.01	-
Freight and Courier Expense	129.17	200.05
Gst Packing Material Purchase	26.12	-
Import Unit Direct Expense	0.09	-
Insurance Expense	37.57	9.87
Jobwork Expense	611.85	1,234.27
Loading and Unloading Charges	16.20	8.85
Oil and Petrol Expense	40.79	24.67
Power and Fuel	480.04	364.33
Repair and Maintenace Expense	56.65	8.18
Shipping Charges	9.88	12.69
Terminal Handling Charges	9.61	9.39
Trade Discount	(0.25)	-
Transportation Charges	155.07	101.47
Other expense	0.01	-
Total	**2,087.65**	**2,664.98**

28. FINANCE COSTS

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Interest expense	516.70	441.73
Other borrowing costs	23.27	27.21
Total	**539.97**	**468.94**

Notes forming part of the Financial Statements (Contd.)

29. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Amortization of intangible assets	0.48	0.79
Depreciation	472.16	341.80
Total	**472.64**	**342.59**

30. OTHER EXPENSES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Auditors' Remuneration	1.60	1.60
Administrative Expenses	65.61	29.58
Advertisement	13.94	9.56
Bad debts	-	0.71
Conveyance expenses	130.30	114.04
Freight Inward	0.10	-
Freight outward	14.14	-
Indirect expenses	-	-
- AC Maintenace Expense	8.79	3.16
- Bank Charges	68.82	42.47
- CSR Expense	33.44	12.26
- Custom Duty Late Payment Charge	1.15	0.66
- Effluent Treatment Charges	37.24	19.87
- ESIC Damarage Charges	0.76	0.08
- Fire Safety Expense	-	0.23
- Fixed Asset Written off	-	9.07
- GPCB Expense	2.56	2.54
- Gst penalty	6.32	-
- Hotel and Refreshment expense	50.74	23.61
- Internet Expense	2.61	1.34
- Labour Charges	3.08	4.47
- Legal Expense	0.66	1.73
- Membership Fees	3.00	0.97
- Packaging Expense	28.79	39.38
- PF Regisration Expense	4.61	3.08
- Postage expense	2.18	1.62
- ROC Fees	0.51	22.39
- Security Expense	16.90	23.30
- Service Expense	8.85	10.06
- Software Expense	3.04	3.65
- Stationery Expense	20.34	15.41
- Transportation Expense	247.32	166.26
- Vatav Kesar	7.05	3.81
- Water Expense	3.67	2.70
Late penalty interest	4.55	-
Loadind unloading charge	0.06	-

Notes forming part of the Financial Statements (Contd.)

30. OTHER EXPENSES (Contd.)

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Penalty exp	11.77	-
Insurance	2.24	0.72
Manufacturing Expenses	52.04	44.62
Professional fees	103.76	57.43
Rent	5.21	4.11
Repairs to machinery	4.19	2.61
Repairs others	-	-
- General Repair	0.51	0.44
- Repairs of Computer	4.71	9.92
- Repairs others	4.50	-
Vehicle Repair expense	2.97	0.83
Rates and taxes	2.02	3.34
Selling & Distribution Expenses	-	-
- Brokerage Expense	72.07	258.06
- Exhibition Expense	36.80	62.47
Telephone expenses	3.67	3.26
Travelling Expenses	71.40	31.29
Miscellaneous expenses	0.23	0.01
Other Expenses	23.71	-
Total	**1,194.53**	**1,048.72**

31. EXTRAORDINARY ITEM

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Prior Period Expense	10.64	53.24
Total	**10.64**	**53.24**

32. TAX EXPENSES

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Current Tax	765.94	756.51
Tax Adjustment on Account of Change in Tax Regime	(171.74)	-
Deferred Tax	(11.95)	-
- Others	-	65.88
Total	**582.25**	**822.39**

During the year, the Company has opted for taxation under Section 115BAB of the Income-tax Act, 1961. Consequently, the tax balances have been remeasured based on the applicable tax rate under the said section. Accordingly, excess tax provision/ deferred tax provision created in earlier years amounting to ₹ 171.74 Lacs has been reversed and recognized in the Statement of Profit and Loss.

Notes forming part of the Financial Statements (Contd.)

33. EARNING PER SHARE

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Profit attributable to equity shareholders (₹ in lacs)	3,115.63	2,422.52
Weighted average number of Equity Shares	2,18,12,608	1,78,84,332
Earnings per share basic (₹)	14.28	13.55
Earnings per share diluted (₹)	14.28	13.55
Face value per equity share (₹)	10	10

34. AUDITORS' REMUNERATION

(₹ in lacs)

Particulars	31-March-2026	31-March-2025
Payments to auditor as		
- Auditor	1.60	1.60

35. RELATED PARTY DISCLOSURE

(i) List of Related Parties

Particulars	Relationship
Ashishkumar Durlabhai Mulani	Whole-time Director
sagarkumar bipinbhai mulani	CFO
Sanjay Raghubhai Desai	Managing Director
Satishkumar Jayantibhai Panchani	CEO
Komal Sanjay Desai (Heerva Enterprise)	Spouse of Director
Paresh Raghubhai Desai (P D Print)	Brother of Director
Inkia Inks Pvt Ltd	Director having Control over the entity
True Colors Print	Directors having Significant share in the Firm
Bhavikaben Sagarkumar Mulani	Spouse of Director
A D Impex	Spouse of Director
Athrees Electronics ht Ltd - Associate company	Director having Control over the entity
Fresa Fashion	Director as a Properitor
Fabcurate ht Ltd	Director having Control over the entity
Tejet Tecnology	Directors having Significant share in the Firm

(ii) Related Party Transactions

(₹ in lacs)

Particulars	Relationship	31-March-2026	31-March-2025
Remuniration and Salary			
- Ashishkumar Durlabhai Mulani	Whole-time Director	75.39	1.25
- sagarkumar bipinbhai mulani	CFO	75.39	15.00
- Sanjay Raghubhai Desai	Managing Director	75.39	10.00
- Satishkumar Jayantibhai Panchani	CEO	75.39	1.25
Loans accepted during the year			
- sagarkumar bipinbhai mulani	CFO	-	362.00
- Sanjay Raghubhai Desai	Managing Director	-	15.00
- Ashishkumar Durlabhai Mulani	Whole-time Director	140.00	175.00

Notes forming part of the Financial Statements (Contd.)

(ii) Related Party Transactions (Contd.)

(₹ in lacs)

Particulars	Relationship	31-March-2026	31-March-2025
- Athrees Electronics ht Ltd - Associate company	Director having Control over the entity	-	385.23
Loans repaid during the year			
- sagarkumar bipinbhai mulani	CFO	-	579.00
- Sanjay Raghubhai Desai	Managing Director	-	30.50
- Ashishkumar Durlabhai Mulani	Whole-time Director	140.00	655.80
- Athrees Electronics ht Ltd - Associate company	Director having Control over the entity	-	385.23
Purchase during the year			
- Ashishkumar Durlabhai Mulani	Whole-time Director	-	131.58
- Satishkumar Jayantibhai Panchani	CEO	192.17	950.12
- Bhavikaben Sagarkumar Mulani	Spouse of Director	-	35.14
- Komal Sanjay Desai (Heerva Enterprise)	Spouse of Director	34.57	72.62
- A D Impex	Spouse of Director	159.11	73.04
- Paresh Raghubhai Desai (P D Print)	Brother of Director	37.12	76.99
- Inkia Inks Pvt Ltd	Director having Control over the entity	1,723.24	1,187.08
- Fabcurate ht Ltd	Director having Control over the entity	12.53	27.32
- Tejet Tecnology	Directors having Significant share in the Firm	13.64	171.72
Sales during the year			
- True Colors Print	Directors having Significant share in the Firm	-	-
- Fresa Fashion	Director as a Properitor	30.00	249.94
- Paresh Raghubhai Desai (P D Print)	Brother of Director	-	11.86
- Inkia Inks Pvt Ltd	Director having Control over the entity	429.96	172.80
- True Colors Print	Directors having Significant share in the Firm	-	-
- Fabcurate ht Ltd	Director having Control over the entity	129.56	194.34
- A D Impex	Spouse of Director	46.44	-
Payment during the year			
- Ashishkumar Durlabhai Mulani	Whole-time Director	4.92	313.42
- Satishkumar Jayantibhai Panchani	CEO	221.77	888.51
- A D Impex	Spouse of Director	187.09	79.60
- Komal Sanjay Desai (Heerva Enterprise)	Spouse of Director	191.67	70.64
- Bhavikaben Sagarkumar Mulani	Spouse of Director	-	47.61
- Paresh Raghubhai Desai (P D Print)	Brother of Director	43.54	124.87
- Inkia Inks Pvt Ltd	Director having Control over the entity	2,159.44	908.44
- Fabcurate ht Ltd	Director having Control over the entity	14.85	31.52

Notes forming part of the Financial Statements (Contd.)

(ii) Related Party Transactions (Contd.)

(₹ in lacs)

Particulars	Relationship	31-March-2026	31-March-2025
- Tejet Tecnology	Directors having Significant share in the Firm	25.66	162.16
Receipt during the year			
- Fresa Fashion	Director as a Properitor	23.11	-
- Inkia Inks Pvt Ltd	Director having Control over the entity	506.27	-
- Fabcurate ht Ltd	Director having Control over the entity	93.93	-

(iii) Related Party Balances

(₹ in lacs)

Particulars	Relationship	31-March-2026	31-March-2025
Remuneration			
- sagarkumar bipinbhai mulani	CFO	5.48	-
- Sanjay Raghubhai Desai	Managing Director	5.48	-
- Ashishkumar Durlabhai Mulani	Whole-time Director	5.48	-
- Satishkumar Jayantibhai Panchani	CEO	5.48	-
Purchase			
- Ashishkumar Durlabhai Mulani	Whole-time Director	1.00	0.50
- Satishkumar Jayantibhai Panchani	CEO	21.42	(0.13)
- A D Impex	Spouse of Director	(0.07)	5.02
- Komal Sanjay Desai (Heerva Enterprise)	Spouse of Director	0.08	5.39
- Bhavikaben Sagarkumar Mulani	Spouse of Director	-	-
- Paresh Raghubhai Desai (P D Print)	Brother of Director	-	4.94
- Inkia Inks Pvt Ltd	Director having Control over the entity	70.35	106.75
- Tejet Tecnology	Directors having Significant share in the Firm	-	9.56
Sales			
- Ashishkumar Durlabhai Mulani	Whole-time Director	-	-
- Satishkumar Jayantibhai Panchani	CEO	21.42	9.12
- Paresh Raghubhai Desai (P D Print)	Brother of Director	-	-
- Inkia Inks Pvt Ltd	Director having Control over the entity	1.97	0.19
- Fabcurate ht Ltd	Director having Control over the entity	71.10	18.17
- A D Impex	Spouse of Director	54.79	-
LOAN			
- sagarkumar bipinbhai mulani	CFO	-	-
- Sanjay Raghubhai Desai	Managing Director	-	-
- Ashishkumar Durlabhai Mulani	Whole-time Director	-	-

Notes forming part of the Financial Statements (Contd.)

37. RATIO ANALYSIS

(₹ in lacs)

Particulars		31-March-2026	31-March-2025	Change in %
(a) Current Ratio	Current Assets	2.02	1.42	42.80%
	Current Liabilities			
(b) Debt-Equity Ratio	Total Debts	0.25	0.96	-73.96%
	Shareholder's Equity			
(c) Debt Service Coverage Ratio	Earning available for Debt Service	0.73	2.86	-74.48%
	Debt Service			
(d) Return on Equity Ratio	Profit after Tax	25.68%	68.62%	-62.57%
	Average Shareholder's Equity			
(e) Inventory turnover ratio	Cost of goods sold	4.75	4.36	8.97%
	Average Inventories			
(f) Trade receivables turnover ratio	Total Turnover	3.60	5.87	-38.70%
	Average Trade Receivable			
(g) Trade payables turnover ratio	Total Purchases	4.79	4.18	14.75%
	Average Trade Payable			
(h) Net capital turnover ratio	Total Turnover	4.96	16.20	-69.40%
	Average Working Capital			
(i) Net profit ratio	Net Profit	10.33%	10.38%	-0.47%
	Total Turnover			
(j) Return on Capital employed	Earning before interest and taxes	18.09%	43.41%	-58.33%
	Capital Employed			
(k) Return on investment	Return on Investment	0.00%	0.00%	-
	Total Investment			

As per our report of even date

For **Lakhankiya & Dosi LLP**
Chartered Accountants
Firm's Registration No.: 154114W/W100873

For and on behalf of the Board of
TRUE COLORS LIMITED

CA Shailesh Lakhankiya
Partner
Membership No.: 147112
UDIN: 26147112GRZDMZ8795

Ashishkumar D mulani
Chairman & Director
DIN: 08900639

Satishkumar Panchani
CEO & Director
DIN: 09756732
Place: Surat
Date: 20/05/2026

Place: Surat
Date: 20/05/2026

Sagarkumar B Mulani
CFO
DIN: 08885161

Javanika Gandharva
CS & Compliance Officer
M. No.: A42880
Place: Surat
Date: 20/05/2026

TRUE COLORS LIMITED

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