

CERTIFICATE ON KEY PERFORMANCE INDICATORS

July 04, 2025

To,
The Board of Directors
TRUE COLORS LIMITED
(Formerly known as "TRUE COLORS PRIVATE LIMITED")
P-8, Ground Floor to 3rd Floor, Somakanji Wadi Patel Line,
Khatodara, Surat, Gujarat – 395002

GYR Capital Advisors Private Limited
428, Gala Empire, Near JB Tower,
Drive in Road, Thaltej,
Ahemdabad-380 054,
Gujarat, India.
(GYR Capital Advisors Private Limited referred to as the "Lead Manager")

Dear Sir(s),

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the "Equity Shares") of TRUE COLORS LIMITED (Formerly known as "TRUE COLORS PRIVATE LIMITED") (the "Company" and such offering, the "Issue")

In connection with calculation of the issue price of the Equity Shares in the Issue, we have verified the information mentioned in **Annexure A** with respect to the Company, extracted from the financial statements of the Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 and other relevant records of the Company.

We hereby confirm that we have conducted our examination of the information given in this certificate (including the annexures thereto) in accordance with the 'Guidance Note on the Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time, to obtain a reasonable assurance that such details are in agreement with the books of accounts and other relevant records provided to us, in all material respects; the aforesaid Guidance Notes requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time. We also confirm that we have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

This certificate is for your information and for inclusion in the draft prospectus and the prospectus (the "Offer Documents"), to be issued by the Company in relation to the Issue and to be filed/registered with the SME Platform of BSE Limited where the Equity Shares are proposed to be listed ("Stock Exchange") and the Registrar of Companies, Ahmedabad ("RoC"), as applicable.

This certificate may be relied upon by the Lead Manager and the legal counsel appointed in relation to the Issue. We hereby consent to the extracts of this certificate being used in the Offer Documents and in any other material used in

connection with the Issue. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Draft Prospectus.

Yours sincerely,

For, Lakhankiya and Dosi LLP,
Chartered Accountants
FRN: 154114W/W100873



CA Shailesh Lakhankiya
Partner

M.No. 147112

UDIN: 25147112BMIVIE6334

Place: Surat

Date: July 04, 2025



Annexure-A

Key metrics like revenue growth, EBITDA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company

KPI Indicators

(Amount in Lakhs, except EPS, % and ratios)

Key Financial Performance	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Operations ⁽¹⁾	23,365.62	16,008.24	8,066.04
Growth in revenue from operations (%)	45.96%	98.46%	791.90%
Total Income ⁽²⁾	23,404.89	16,090.85	8,093.53
EBITDA ⁽³⁾	4,091.20	1,449.97	566.89
EBITDA Margin (%) ⁽⁴⁾	17.48%	9.01%	7.00%
Restated profit for the period/year ⁽⁵⁾	2,469.38	824.57	391.79
Restated profit for the period/year Margin/ PAT Margin (%) ⁽⁶⁾	10.57%	5.15%	4.86%
Return on Net Worth ⁽⁷⁾	44.53%	56.42%	61.52%
Return on Average Equity ("RoAE") (%) ⁽⁸⁾	70.49%	78.60%	111.74%
Return on Capital Employed ("RoCE") (%) ⁽⁹⁾	35.94%	18.56%	21.43%
Debt- Equity Ratio ⁽¹⁰⁾	0.86	3.87	3.15

Notes:

- (1) Revenue from operations represents the revenue from sale of service & product & other operating revenue of our Company as recognized in the Restated financial information.
- (2) Total income includes revenue from operations and other income.
- (3) EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back interest cost, depreciation, and amortization expense.
- (4) EBITDA margin is calculated as EBITDA as a percentage of total income.
- (5) Restated profit for the period / year margin is calculated as restated profit for the period / year divided by revenue from operations.
- (6) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- (7) Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Net worth at the end of respective period/year. Net worth means aggregate value of the paid-up equity share capital and reserves & surplus.
- (8) RoAE is calculated as Net profit after tax divided by Average Equity.
- (9) Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective period/year. (Capital employed calculated as the aggregate value of total equity, total debt and deferred tax liabilities)
- (10) Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.



KPI	Explanation
Revenue from operations:	Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.
Total Income	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income.
EBITDA:	EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.
EBITDA margin:	EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes.
Restated profit for the period / year:	Restated profit for the period / year represents the profit / loss that our Company makes for the financial year or during a given period. It provides information regarding the profitability of the business of our Company.
Restated profit for the period / year margin:	Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Return on Average Equity ("RoAE"):	RoAE refers to Restated profit for the period / year divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period. RoAE is an indicator of our Company's efficiency as it measures our Company's profitability. RoAE is indicative of the profit generation by our Company against the equity contribution.
Return on Capital Employed ("RoCE"):	RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company's efficiency as it measures our Company's profitability. RoCE is indicative of the profit generation by our Company against the capital employed.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.

Set forth the description of historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.

For evaluation our business, we consider that the KPIs, as presented above, as additional measures to review and assess our financial and operating performance. These KPIs have limitations as analytical tools and presentation of these KPIs should not be considered in isolation or as a substitute for the Restated Financial Information. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management



believes that it provides an additional tool for investors to use our operating results and trends and in comparing our financial results with other companies in our industry as it provides consistency and comparability with past financial performance.

