

FAIRNESS OPINION REPORT

FOR THE PROPOSED AMALGAMATION OF

**TRUE COLORS LIMITED
(CIN: L17299GJ2021PLC126265)
(TRANSFeree COMPANY)**

AND

**INKIA INKS PRIVATE LIMITED
(CIN: U24299GJ2021PTC120091)
(TRANSFEROR COMPANY)**

Prepared by



GYR CAPITAL ADVISORS PRIVATE LIMITED

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Report Date: December 01, 2025

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000012810

Date: December 01, 2025

To,
Board of Directors
True Colors Limited
P-8, GR Flr to 3rd Flr, Somakanji Wadi
Patel Line Khatodara, Surat, Surat,
Gujarat, India, 395002

To,
Board of Directors
INKIA INKS PRIVATE LIMITED
SY. NO.428/1 TPS-6 B-NO.6 FP NO.243,
Soma Kanji Ni Wadi U M Road
Khatodara, Surat-395002

Dear Sir/Madam,

Sub: Fairness Opinion on Fair Share Swap Ratio Pursuant to the Proposed Scheme of Arrangement for Amalgamation of Inkia Inks Private Limited (Transferor company) with True Colors Limited ("Transferee Company").

We, GYR Capital Advisors Private Limited (SEBI Registered Category I Merchant Banker), have been appointed by **Board of Director of Transferee Company and Transferor company** on November 27, 2025, to provide a Fairness Opinion on the share exchange ratio certified by Registered Valuer Ms. Parushana Chhajed from Treu Valuation Services Private Limited, Registered Valuers' Entity (IBBI Reg. No. – IBBI/RV-E/02/2023/181, dated December 01, 2025 in connection with the proposed amalgamation of Inkia Inks Private Limited (Transferor company) with True Colors Limited ("Transferee Company") , pursuant to a Scheme of Amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.

In terms of our engagement, we are enclosing our opinion along with this letter, all comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred to as "**Listing Regulations**") read with SEBI Master Circular no SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **GYR Capital Advisors Private Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,

Yours faithfully,

For, GYR Capital Advisors Private Limited



Mohit Baid
Director
DIN: 08594571
Place: Ahmedabad

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1. BRIEF ABOUT COMPANIES:

A) **True Colors Limited** ("**Transferee Company**" or "**TCL**") is public limited company incorporated under the Companies Act, 2013 on October 09, 2021, having its registered office at P-8, GR Flr to 3rd Flr, Somakanji Wadi Patel Line Khatodara, Surat, Gujarat, India, 395002. The Company Identification Number (CIN) of the company is L17299GJ2021PLC126265. True Colors Limited is an integrated digital textile solutions company engaged in three key business verticals. The Company imports and distributes wide-format digital textile printing machines and supplies compatible inks, spare parts, and technical support. It also manufactures sublimation transfer paper used extensively in the digital printing process, enabling consistent quality and cost-efficient production. Additionally, True Colors Limited provides digital textile printing services on various fabrics and supplies printed fabrics to garment manufacturers, exporters, fashion brands, and designers. Through this end-to-end model—covering machinery, consumables, and printing services—the Company operates as a comprehensive one-stop solution provider in the digital textile printing industry. Website of the company is www.truecolorsgroup.com. The Equity Shares issued by TCL are listed on the SME segment of BSE Limited.

➤ Main Objects of Company,

1. To manufacture, produce, process, cure, buy, sell, import, or otherwise deal in all kinds of cotton, woollen, rayon, silk, nylon, jute, synthetic and staple yarn/grey/fabrics of any kind or quality and to carry on the business of ginning, sizing, combing, spinning, weaving, Knitting, manufacturing, bleaching, dyeing, mercerizing, calendaring, printing, polymerizing or otherwise processing, preparing, working, embroidery or dealing in cloth, yarn, thread, cotton, wool, silk, jute and materials made there from and other synthetics, fabrics and materials.

2. To carry on in India or elsewhere the business to convert, commercialize, compound, develop, distribute, derive, grade, manipulate, coat, print, process, prepare, promote, supply import, export, buy, sell, turn to account and to act as agent, broker, concessionaire, consultant, jobworker, collaborator, transporter, stockiest or otherwise to deal in all varieties, applications, characteristics and uses of papers including writing paper, printing paper, absorbent paper, sublimation paper, packing and wrapping paper, wall and ceiling paper, news print paper, filter paper, antique paper, ivory finish paper, art paper, bangle or board paper, badamin, brown or bugg paper, bible paper, cartridge paper, cloth lined paper, wove paper, tissue paper, blotting paper, antique paper, security paper, waxed and bitumen impregnated paper, currency paper, paper board, craft paper, film products, copier paper, bond paper, bopp film, polythene products, carbon paper and whether coated, glazed, polished, corrugated, laminated or otherwise and any raw materials.

3. To buy, sell, import, or otherwise deal in all kinds of textile printing machinery its spare parts all types of Inks and ancillary all materials for bleaching, dyeing, mercerizing, calendaring, printing, digital printing, polymerizing or otherwise processing, preparing, working, embroidery or dealing in cloth, yarn, thread, cotton, wool, silk, jute and materials made there from and other synthetics, fabrics and materials.

➤ **Audited Balance sheet of True Colors Limited as at 31st March, 2025:**

Particulars	Amount (Rs. in Lakhs)
Share capital	1,895.50
Reserve and Surplus	3,653.56
Non-current Liabilities	2,489.48
Current Liabilities	7,459.19
Equities & Liabilities	15,497.72
Non-Current Assets	4,933.62
Current Assets	10,564.10
Total Assets	15,497.72

➤ **Audited Statement of Profit and Loss of True Colors Limited as at 31st March, 2025:**

Particulars	Amount (Rs. in Lakh) except per share Data
Revenue from operations	23,336.55
Other income	68.69
Total Revenue	23,405.24
Total Expenses	20,107.09
Profit Before Tax (PBT)	3,244.91
Profit After Tax (PAT)	2,422.52
Earnings per Share (EPS) Basic and Diluted	13.55

➤ **Capital Structure of the Company**

Authorised capital	Paid-up Capital
2,50,00,000 Equity Shares of face value of Rs. 10 each amounting to Rs. 25,00,00,000.	2,46,54,600 Equity Shares of face value of Rs. 10 each amounting to Rs. 24,65,46,000.

➤ **Shareholding Pattern filed as on September 30, 2025:**

Table I - Summary Statement holding of specified securities									
Cate	Category of	Shareholding, as a % assuming full conversion of	Number of Locked in shares (XIII)	Number of Shares pledged (XIV)	Non-Disposal Undertaking (XV)	Other encumbrances, if any (XVI)	Total Number of Shares encumbered (XVII) = (XIV+XV+XVI)	Number of equity	Sub-categorization of shares

Category (I)	Shareholder (II)	Percentage of diluted share capital (XII) = (VII) + (X) As a % of (A+B+C2)	No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	Shares held in dematerialized form (XVIII)	Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoter & Promoter Group	68.88	16981048	100									16981048			
(B)	Public	31.12	2879552	37.53									7673552	0	0	0
(C)	Non Promoter-Non Public															
(C1)	Shares underlying DRs															
(C2)	Shares held by Employee Trusts															
	Total	100	19860600	80.56									24654600	0	0	0

➤ **Board of Directors**

Sr. No	Name	DIN
1.	Ashishkumar Durlbhbhai Mulani	08900639
2.	Sagarkumar Bipinbhai Mulani	08885161
3.	Sanjay Raghubhai Desai	08885162

Sr. No	Name	DIN
4.	Satishkumar Jayantibhai Panchani	09756732
5.	Charmi Soni	10902194
6.	Bhavesh Vinodchandra Singapuri	10902196
7.	Nanty Nalinbhai Shah	10973263

B) Inkia Inks Private Limited (“Transferor Company” or “IIPL”) is Private limited company Incorporated under the Companies Act, 2013 on February 08, 2021, having its registered office at SY. NO.428/1 TPS-6 B-NO.6 FP NO.243, Soma Kanji Ni Wadi U M Road Khatodara, Surat, Gujarat, India, 395002. The Company Identification Number (CIN) of the company is U24299GJ2021PTC120091. It is currently engaged in the business of business of manufacturing, formulating, processing, developing, refining, buying, selling, importing, exporting and dealing in chemicals and inks for cotton, silk, art silk, rayon, nylon, synthetic and staple fibers, polyester, worsted, wool, hemp and other fibre materials, as well as yarn, cloth, linen, rayon, textiles and paper products.

➤ **Main Objects of Company,**

1. To carry on the business of manufacturing, formulate, process, develop, refine buying, selling, importing, exporting and dealing in chemicals and inks, inks for cotton, silk, art silk, rayon, nylon, synthetic fibers, staple fibers, polyester, worsted, wool, hemp and other fibre materials, yarn, cloth, linen, rayon and other goods or merchandise of textiles and papers.
2. To carry on the business of importers, exporters, buyers, sellers, dealers and as agents, stockiest, distributors and suppliers of all kinds of inks are digital textile inks, Sublimation ink, Reactive inks , Direct digital inks, Pigmented inks, Textiles related dyes, Pigments, Percolating & post Coating chemicals and other such kinds of chemical /ink by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof.

Audited Balance sheet of Inkia Inks Private Limited as at 31st March, 2025:

Particulars	Amount (Rs. in Lakh)
Share capital	300.000
Reserve and Surplus	108.790
Non-current Liabilities	259.241
Current Liabilities	269.915
Equities & Liabilities	937.946
Non-Current Assets	380.673
Current Assets	557.273
Total Assets	937.946

Audited Statement of Profit and Loss of Inkia Inks Private Limited as at 31st March, 2025:

Particulars	Amount (Rs. in Lakh)
-------------	----------------------

	Except per share Data
Revenue from operations	1,353.885
Other income	5.629
Total Revenue	1,359.514
Total Expenses	1,236.444
Profit Before Tax (PBT)	123.07
Profit After Tax (PAT)	102.692
Earnings per Share (EPS) Basic and Diluted	9.26

➤ **Capital Structure of the Company**

Authorised capital	Paid-up Capital
30,00,000 Equity Shares of face value of Rs. 10 each amounting to Rs. 3,00,00,000.	30,00,000 Equity Shares of face value of Rs. 10 each amounting to Rs. 3,00,00,000.

➤ **Shareholding as on September 30, 2025:**

Sr. No	Names of Shareholders	No of Shares	%
1.	Sanjay Raghubhai Desai	364,300	12.14%
2.	Sagarkumar Bipinbhai Mulani	364,300	12.14%
3.	Ashishkumar Durlabhbhai Mulani	294,300	9.81%
4.	Dakshaben Ashishkumar Mulani	70,000	2.33%
5.	Urvisha Panchani	90,000	3.00%
6.	Satish Panchani	349,200	11.64%
7.	Rajeshkumar Dharsandiya	968,814	32.39%
8.	Dhruvkumar Gor	176,148	5.87%
9.	Kishan Dadhnia	322,938	10.76%
Total		30,00,000	100.00%

➤ **Board of Directors**

Sr. No	Name	DIN
1.	Sanjay Raghubhai Desai	08885162
2.	Sagarkumar Bipinbhai Mulani	08885161
3.	Rajeshkumar Dayabhai Dharsandiya	09080727

2. PURPOSE OF FAIRNESS OPINION:

We understand that True Colors Limited (“Transferee Company”) with Inkia Inks Private Limited (Transferor company) propose to enter into a scheme of arrangement (the “Scheme”), which provides, among other things, for amalgamation.

In terms of our engagement, we are enclosing our opinion along with this letter, all comments as contained herein must be read in conjunction with the caveats to this opinion, The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (Hereinafter referred to as "**Listing Regulations**") read with SEBI Master Circular no SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **GYR Capital Advisors Private Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Our Fairness Opinion is limited to the share entitlement ratio proposed for the amalgamation of the Inkia Inks Private Limited ("Transferor Company") with True Colors Limited ("Transferee Company") as per the Scheme.

3. CONTEXT:

The amalgamation of the True Colors Limited ("Transferee Company") with Inkia Inks Private Limited ("Transferor Company") shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public.

All the companies mentioned above belong to the same group of management and the commercial activities are complimentary in nature. The rationale for the proposed Scheme is set out below:

The Transferee Company is specializing in digital textile printing, providing high-quality, custom fabric printing solutions for a variety of industries, including fashion, home textiles, and promotional products. They leverage advanced digital printing technology to offer vibrant, detailed prints with faster turnaround times and lower production costs compared to traditional methods.

The Transferor Company specializes in the development and supply of advanced printing inks for diverse industrial and commercial applications. With a strong focus on innovation, quality, and sustainability, the Company provides high-performance inks that meet the evolving needs of packaging, textiles, labels, and other specialty printing industries.

The Transferor Company and the Transferee Company are ultimately owned and controlled by same Promoter and Promoter Group. The proposed amalgamation of Transferor Company with the Transferee Company would result in the following benefits.

- Creation of a large entity having diversified business operations of digital printing technology.
- Providing an opportunity to leverage combined assets, capabilities, experience, expertise of both companies enabling optimum utilization of existing resources.
- Improved cash flows and more efficient utilization of capital, human resources and infrastructure to create stronger base for future growth, enhance future business potential, and achieve greater efficiencies, productivity gains and advantages by pooling of resources of the group companies thereby significantly contributing to the future growth and maximizing shareholder's value.
- Synergies arising out of consolidation of resources which will lead to efficiency in operations and other functions related to the businesses of the Companies.
- Achieve simplified corporate structure, by way of reducing the number of entities in the group
- Elimination of duplication of administrative expenses and enabling cost savings.

Carrying on and conducting the business more efficiently and advantageously, ensuring more productive and optimum utilization of various resources.

Upon the coming into effect of the Scheme with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of Sections 230 – 232 of the Companies Act, 2013, and all other provisions of applicable law, if any as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

4. VALUATION APPROACHES AND METHODS:

Valuation of True Colors Limited (“TCL”):

The following are commonly used and accepted approaches for determining the value of the equity shares of an Entity/ business:

A. Market Approach

True Colors Limited (TCL) is a listed entity on the SME Platform of BSE Limited as on the valuation date. Accordingly, the valuation of its equity shares is required to be conducted in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”).

Since the equity shares of TCL have been listed for less than 90 trading days as on the relevant date, the pricing mechanism under Regulation 164(2) of SEBI ICDR becomes applicable.

Applicability of Regulation 164(2) – Shares Listed for Less Than 90 Trading Days

Regulation 164(2) provides the pricing framework for equity shares listed on a recognised stock exchange for less than 90 trading days:

“If the equity shares have been listed for a period of less than ninety trading days as on the relevant date, the price shall not be less than the highest of the following:

- (a) the IPO price or the price determined under a listing scheme;
 - (b) the average of the VWAP of the shares quoted on the recognised stock exchange during the period the shares have been listed preceding the relevant date;
 - (c) the average of the VWAP of the shares quoted during the two weeks preceding the relevant date.”
- Thus, valuation of TCL must be carried out using the highest value obtained from the above three parameters.

Regulation 164(5) defines frequently traded shares as:

“...shares in which the traded turnover during the 240 trading days preceding the relevant date is at least 10% of the total number of shares of that class.”

For TCL, traded number of shares (in 41 days) is 94,14,600 and total number of equity shares are 2,46,54,600. So traded % is 38.19% (94,14,600 / 2,46,54,600), since the traded turnover exceeds 10%, the equity shares of TCL qualify as frequently traded shares.

Particulars	Value Per Share (INR)
Price issued in initial public offer	191.00
Weighted average price of the relevant 41 trading days	205.47
Weighted average price of the relevant 10 trading days	249.68
Higher of 36 trading Days and 10 trading days price	249.68

B. Income Approach

DCF uses the future free cash flows of the company discounted by the company's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Some of the basic variables and assumptions used in the Discounted Cash Flows method are:

- The DCF valuation has been carried out using projected free cash flows for the period from October 1, 2025 to March 31, 2030, applying the mid-year discounting convention. The valuation date has been taken as September 30, 2025, and the valuation report date is December 01, 2025. For the purpose of this valuation, the unaudited financial statements for the period ended September 30, 2025 have been relied upon for analyzing changes in non-cash working capital, cash and bank balances, borrowings, investments, and the number of outstanding shares.
- A terminal growth rate of 3.00% has been applied from FY 2030 onwards, based on long-term economic and financial indicators including India's inflation outlook, GDP growth trajectory, historical and projected financial performance, and the Company's long-term organic and inorganic strategies. The risk-free rate considered in the valuation is 6.549%, based on the yield of a 10-year Government of India bond.
- For the purpose of estimating beta, the mean-reversion beta of 0.65 has been considered based on data for the Apparel sector published by Prof. Aswath Damodaran. This has been re-levered using the target capital structure of 86% equity and 14% debt, resulting in a levered beta of 0.73. The Equity Risk Premium (ERP) for the Indian market has been taken as 7.26%, also based on Prof. Damodaran's database. Applying the CAPM framework, the Cost of Equity has been computed at 16.35%.
- The Cost of Debt has been taken as 9.50%, and after incorporating a tax rate of 25.17%, the post-tax Cost of Debt works out to 7.11%. Based on the target capital structure of 86% equity and 14% debt, the Weighted Average Cost of Capital (WACC) has been determined at 15.01%. The total number of outstanding equity shares as of the valuation date is 2,46,54,600 shares.

Based on the DCF method, the Equity Value of True Colors Limited (TCL) is Rs. 40,682.82 lakh. On a fully diluted basis of 246.55 lakh shares, this results in a value of Rs. 165.01 per share.

C. Asset Approach

The value arrived at under this approach is based on the recent audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted to their fair value or for any contingent liabilities that are likely to materialize. Keeping in mind the context and purpose of the Report, we have used the NAV method as to calculate the fair value of equity of the Company based unaudited financials for period ending on September 30, 2025.

The Net Asset of True Colors Limited (TCL) is Rs. 19,716.59 lakh, resulting in a Net Asset Value of Rs. 79.97 per equity share.

Valuation of Inkia Inks Private Limited ("IIPL")

A. Market Approach

- **Market Price Method**

The market price method considers the quoted price of equity shares on a recognised stock exchange as an indicator of their fair value, assuming the shares are regularly and freely traded and the market reflects informed buyer-seller transactions. However, this approach is applicable only for companies whose securities are actively traded on recognised stock exchanges.

Inkia Inks Private Limited (IIPL) is an unlisted company and does not have any equity securities listed or traded on any recognised stock exchange in India. Accordingly, the Market Price Method is not applicable and has not been adopted for the valuation of IIPL.

- **Comparable Companies Multiple (CCM) Method**

Under this approach, the value of a company is derived using valuation multiples of comparable listed companies. These multiples reflect market perceptions and incorporate relevant factors such as growth expectations, profitability, business risks, and industry trends. However, for meaningful comparison, the comparable companies must be sufficiently similar in terms of business model, scale, size, product profile, growth prospects, and financial performance.

In the case of IIPL, identifying directly comparable listed companies with similar operational characteristics, scale, and financial profile is not feasible. Due to the lack of reliable and relevant comparables, the CCM Method has not been adopted for the valuation of IIPL.

- **Comparable Transaction Multiple (CTM) Method**

The CTM method derives valuation by applying multiples observed in mergers, acquisitions, or other corporate transactions involving comparable companies. This method requires access to reliable, recent, and industry- relevant transaction data.

For IIPL, sufficient transaction data of comparable private companies in the same line of business is not available to derive credible valuation multiples. Consequently, the CTM Method has also not been considered appropriate for the valuation of IIPL.

B. Income Approach

DCF uses the future free cash flows of the company discounted by the company's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Some of the basic variables and assumptions used in the Discounted Cash Flows method are:

- The DCF valuation has been carried out based on projected free cash flows for the period from October 1, 2025 to March 31, 2030, applying the mid-year discounting convention. The valuation date is September 30, 2025, and the valuation report date is December 01, 2025. Unaudited financial statements for the period ended September 30, 2025 have been used to compute changes in non-cash working capital, cash and bank balances, borrowings, investments, and the number of outstanding shares.
- A terminal growth rate of 3.00% has been applied from FY 2030 onwards, based on long-term economic and financial indicators such as inflation, GDP outlook, historical performance, projected financials, and the Company's strategic growth plans. The risk-free rate considered is 6.549%, based on the yield of a 10-year Government of India bond.
- In absence of directly comparable industry peers, a mean-reversion beta of 1.00 has been assumed and then re-levered using the target capital structure of 90% equity and 10% debt, resulting in a levered beta of 1.09. The Equity Risk Premium (ERP) has been considered at 7.26%, as published by Prof. Aswath Damodaran. Using the CAPM framework, the Cost of Equity has been computed at 18.98%.
- The Cost of Debt has been taken as 9.00%, and after applying a tax rate of 15.60%, the post-tax Cost of Debt works out to 7.60%. Based on the target capital structure of 90% equity and 10% debt, the Weighted Average Cost of Capital (WACC) has been determined at 17.86%. The total number of outstanding shares as on the valuation date is 30,00,000.

Based on the DCF method, the Equity Value of Inkia Inks Private Limited (IIPL) is Rs. 6,242.00 lakh. On a fully diluted basis of 30.00 lakh shares, this results in a value of Rs. 208.07 per share.

C. Asset Approach

The value arrived at under this approach is based on the recent unaudited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted to their fair value or for any contingent liabilities that are likely to materialize.

We understand that the business of the Company is not capital intensive. Accordingly, the current NAV would not be reflective of its growth potential going forward and thus would not reveal the true business value of the Company. Hence, keeping the context and purpose of the Report in mind, we have not used this method in the Analysis.

Summary of Methodology Adopted for Valuation

Valuation Method	True Colors Limited (TCL)	Inkia Inks Private Limited (IIPL)
Market Approach	✓	✗
Income Approach	✗	✓
Asset Approach / NAV	✗	✗

The fair value of the Company needs to be determined after considering all relevant factors and the valuation methodologies discussed above. While different values may emerge under each approach, it is essential to arrive at a single representative value for the shares of the Company. This requires assigning appropriate weightages to the values derived from each method.

For True Colors Limited (TCL), being a listed entity, market-based information from an active market is generally regarded as the most reliable indicator of value. Accordingly, we have assigned 100% weightage to the Market Approach, and no weightage to other approaches. The Asset Approach is not considered as it does not adequately capture the Company's future growth prospects, and the Discounted Free Cash Flow (DCF) method is not assigned weight due to limited historical financial visibility.

For Inkia Inks Private Limited (IIPL), a business with significant growth potential and limited capital-intensive assets, the Income Approach has been exclusively employed with 100% weightage. This approach is most appropriate for such companies, where value is driven by expected future cash flows rather than existing net assets. Initial investments in operations, branding, or marketing may result in short-term losses but lay the foundation for future revenue growth, making the Income Approach the most suitable methodology for valuing IIPL.

5. SHARE EXCHANGE RATIO FOR AMALGAMATION:

Valuation Approach	Methods	True Colors Limited			Inkia Inks Private Limited		
		Value per Equity Share (In INR)	Weights	Value per Equity Share adjusted Weight (In INR)	Value per Equity Share	Weights	Value per Equity Share adjusted Weight (In INR)

Market Approach	Market Price Method	249.68	100%	249.68	NA	0%	-
Income Approach	Discounted Cash-flow Method	165.01	0%	-	208.07	100%	208.07
Asset Approach	Net Asset Method	79.97	0%	-	NA	0%	-
Value per Equity Share				249.68			208.07
Share Swap Ratio (round-off)	83 : 100						

Transferor Companies	Exchange Ratio
Transferor Company	Shareholders of Inkia Inks Private Limited (IIPL) will receive 83 fully paid-up equity shares of True Colors Limited (TCL) having a face value of Rs. 10 each for every 100 fully paid-up equity share held in IIPL having a face value of Rs. 10 each.

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

6. LIMITATIONS/DISCLAIMERS:

- We wish to emphasize that, we have relied on explanations and information provided by the respective management and other publicly available information. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Restructured Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.

- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness opinion.

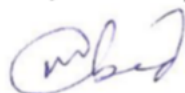
7. CONCLUSION:

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

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

"Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, we have reviewed the Valuation Report dated December 01, 2025 of Ms. Parushana Chhajer from Treu Valuation Services Private Limited, Registered Valuers' Entity (IBBI Reg. No. – IBBI/RV-E/02/2023/181 with respect to the share exchange ratio aspects and consider it to be fair and reasonable from the point of view of equity shareholders of the Companies "

For, GYR Capital Advisors Private Limited



Mohit Baid
Director
DIN: 08594571



Place: Ahmedabad