August 14, 2026

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

Scrip ID/Code: TRUECOLORS/544531

Subject: Monitoring Agency Report for the quarter ended June 30, 2026.
Reference No.: Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Respected Sir/ Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 262(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed Monitoring Agency Report towards utilization of proceeds of Initial Public Offering ("IPO") for the quarter ended June 30, 2026, issued by CRISIL Ratings Limited, duly reviewed and taken on record by the Board of Directors & Audit Committee of the Company.

Further, we hereby confirm that there has been no deviation in the utilization of Issue proceeds from the objects as stated in the Prospectus dated 26th September, 2025 for IPO of Equity Shares.

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: 2026.08.14 15:41:30 +05'30'

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

Crisil Ratings

Monitoring Agency Report
for
True Colors Limited
for the quarter ended
June 30, 2026

CRL/MAR/ TRCOLI22/2026-27/1969

August 14, 2026

To
True Colors Limited
True Colors House, P-8, Ground to 3rd Floor,
Somakanji ni Wadi, Patel Lane, Khatodara,
Surat – 395002, Gujarat, India

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended June 30, 2026 - in relation to the Initial Public Offer ("IPO") of True Colors Limited ("the Company")

Pursuant to Regulation 262(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**") and Monitoring Agency Agreement dated August 08, 2025, enclosed herewith the Monitoring Agency Report, issued by Crisil Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended June 30, 2026.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of Crisil Ratings Limited

Shounak Chakravarty

Shounak Chakravarty
Director, Ratings (LCG)

Crisil Ratings Limited
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400 072. India
Phone: +91 22 6137 3000 | www.crisilratings.com

Report of the Monitoring Agency (MA)

Name of the issuer: True Colors Limited

For quarter ended: June 30, 2026

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: No

(b) Range of Deviation: NA

Declaration:
We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: Shounak Chakravarty
Name and designation of the Authorized Signatory: Shounak Chakravarty
Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

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1) **Issuer Details:**

Name of the issuer: True Colors Limited

Names of the promoter:
Mr. Ashish Kumar Durlbhbhai Mulani
Mr. Sanjay Raghubhai Desai
Mr. Sagarkumar Bipinbhai Mulani
Mr. Panchani Satishkumar Jayantibhai

Industry/sector to which it belongs: Textiles

2) **Issue Details**

Issue Period: 23 September 2025 to 25 September 2025

Type of issue (public/rights): Initial Public Offer (IPO)

Type of specified securities: Equity Shares

IPO Grading, if any: NA

Issue size: Fresh issuance of Rs. 108.86 crores (Net proceeds of Rs. 100.70 crores*)

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Statutory Auditor's certificate^, Prospectus, Bank Statements	Utilization as per Offer Document	No Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA		No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	NA		No Comments	No Comments

Particulars	Reply	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Is there any major deviation observed over the earlier monitoring agency reports?	No	Management Undertaking & Statutory Auditor's certificate^	No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	NA		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	NA		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	NA		No Comments	No Comments

NA represents Not Applicable

^ Certificate dated August 13, 2026 issued by M/s. Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration Number: 154114W), Statutory Auditors of the Company.

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4) **Details of object(s) to be monitored:**

i. **Cost of the object(s):**

Sr. No	Item Head	Source of information/ certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in crores)	Revised Cost (Rs in crores)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding working capital requirements of our company	Management undertaking, Statutory Auditor's certificate^, Prospectus	48.90	NA	No revision	No Comments	No Comments	No Comments
2	Repayment/prepayment of all or certain of our borrowings availed of by our Company		41.83	NA	No revision	No Comments	No Comments	No Comments
3	General Corporate Purposes$		9.97	NA	No revision	No Comments	No Comments	No Comments
	Total		**100.70**					

^ Certificate dated August 13, 2026 issued by M/s. Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration Number: 154114W), Statutory Auditors of the Company.

$The amount utilised for general corporate purposes does not exceed 15% of the Issue Proceeds (being Rs. 15.11 crores) or Rs. 10.00 crores whichever is less.

ii.Progress in the object(s):

Sr. No.	Item Head#	Source of information/ certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in crores)	Amount utilized (Rs in crores)			Total unutilized amount (Rs in crores)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Funding working capital requirements of our company	Management undertaking, Statutory Auditor's certificate ^, Prospectus, Bank Statements	48.90	28.90	13.15	42.05	6.85	Refer note below	No Comments	
2	Repayment/prepayment of all or certain of our borrowings availed of by our Company		41.83	41.83	Nil	41.83	Nil	Object stands fully utilised	No Comments	
3	General Corporate Purposes		9.97	4.97	2.55	7.52	2.45	Refer note below	No Comments	
	Total		**100.70**	**75.70**	**15.70**	**91.40**	**9.30**	**-**	-	-

^ *Certificate dated August 13, 2026 issued by M/s. Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration Number: 154114W), Statutory Auditors of the Company*

Note: During the quarter ended June 30, 2026, the Company had redeemed fixed deposits in the current accounts and utilised amount of Rs. 15.70 crores directly from these current accounts towards utilisation under the abovementioned objects for operational ease.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Funding working capital requirements of our company	The company operates three key divisions: Machinery & Ink Supply (Import & Distribution), Digital Textile Printing, and Sublimation Paper Manufacturing & Supply; each with distinct working capital requirements. The Company will fund a majority of its working capital requirements in the ordinary course of business from various banks, unsecured loan and internal accruals. The Company requires additional working capital for funding its incremental working capital requirements and unlocking the internal accruals deployed in working capital.
Repayment/prepayment of all or certain of our borrowings availed of by our Company	Company has entered into certain financing arrangements with banks and financial institutions for working capital facilities to fund its operational requirements. The outstanding loan facilities entered into by the Company include secured borrowing in the form of Loan against property of the Company and personal guarantees of the Directors and Promoters. The Company intend to utilise the Net Proceeds towards prepayment and/or repayment of all or a portion of these borrowings availed by the Company
General Corporate Purposes$	The general corporate purposes for which the Company proposes to utilize Net Proceeds include, but not limited to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by the Board, subject to compliance with applicable laws.

iii. Deployment of unutilised proceeds as at quarter ended June 30, 2026^:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. In Crores)	Maturity date	Earning* (Rs. In Crores)	Return on Investment (%)	Market Value as at the end of quarter June 30, 2026
1	Fixed Deposit with HDFC Bank Ltd$	2.45	05.11.2026	0.11	5.50	2.52
2	Fixed Deposit with HDFC Bank Ltd	2.99	18.08.2027	0.05	6.45	3.29
3	Fixed Deposit with HDFC Bank Ltd	2.99	18.08.2027	0.05	6.45	3.29
4	Fixed Deposit with HDFC Bank Ltd	0.49	18.08.2027	0.02	6.45	0.54
5	Fixed Deposit with HDFC Bank Ltd	0.38	18.08.2027	0.02	6.45	0.42
	Total	**9.30**		**0.25**		**10.06**

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^ On the basis of Management undertaking and Certificate dated August 13, 2026 issued by M/s. Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration Number: 154114W), Statutory Auditors of the Company

**Monitoring the deployment of Interest Income earned from unutilised proceeds does not form part of the scope of Monitoring Agency report*

iv. Delay in implementation of the object(s):

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Funding working capital requirements of the company	28.90 (Fiscal 2026)	28.90 (Fiscal 2026)	NA	No Comments	No Comments
Repayment/prepayment of all or certain of our borrowings availed of by the Company	41.83 (Fiscal 2026)	41.83 (Fiscal 2026)	NA	No Comments	No Comments
General corporate purposes	9.97 (Fiscal 2026)	4.97 (Fiscal 2026)	Refer Note Below	No Comments	No Comments
Total	**80.70 (Fiscal 2026)**	**75.70 (Fiscal 2026)**			

^On the basis of Management undertaking & Certificate dated August 13, 2026 issued by M/s Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration Number: 154114W), Statutory Auditors of the Company

Note: As per Company's Prospectus dated September 26, 2025, the Company had estimated to utilize Rs 9.97 crores for the object General corporate purpose by Fiscal 2026. However, the Company has utilized Rs 4.97 crores only as at the end of fiscal 2026, hence, there is a delay in the utilization. The balance utilization towards General Corporate Purposes of Rs. 5.00 crores shall be utilized in Fiscal 2027.

Moreover, the Prospectus further states that, "In the event that the estimated utilization of the Net Proceeds in scheduled fiscal years is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by the Board, in accordance with applicable laws."

5) Details of utilization of proceeds during the reported quarter stated as General Corporate Purpose amount in the offer document^:

Sr. No.	Item heads	Amount (Rs. In million)	Remarks
1	Meeting expenses in the ordinary course of business	2.55	• Payment to vendors • Utilization towards GCP is approved by the Board of Directors of the Company vide resolution dated August 13, 2026

^ On the basis of Management undertaking and Certificate dated August 13, 2026 issued by M/s Lakhankiya & Dosi LLP, Chartered Accountants (Firm Registration Number: 154114W), Statutory Auditors of the Company

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