



MEHUL COLOURS LIMITED

(Formerly known as Mehul Colours and Masterbatches Limited)

CIN: U25209MH1995PLC095225



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Our Company was incorporated on December 12, 1995 under the name of “Mehul Colours and Masterbatches Private Limited”, a private limited Company under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by Registrar of Companies, Maharashtra. Thereafter, our Company was converted from private limited to public limited, pursuant to special resolution passed by the shareholders of the Company at the Extraordinary general meeting held on December 02, 2024 and the name of our Company was changed from “Mehul Colours and Masterbatches Private Limited”, to “Mehul Colours and Masterbatches Limited”, vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre Further, Pursuant to Special Resolution passed by the shareholders at the Extra-Ordinary General Meeting held on January 04, 2025, the name of our Company was changed from “Mehul Colours and Masterbatches Limited” to “Mehul Colours Limited” and a fresh Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre, on January 9, 2025. The Corporate identification number of our Company is U25209MH1995PLC095225.

Registered Office: Unit No - A 305,306, Kemp Plaza, Link Road, Chincholi Bunder Road, Mind Space, Near Evershine Mall, Malad West, Mumbai, Maharashtra, India, 400064.
Tel No: +91-22-2872 3555 / 2872 7874 | **E-mail:** info@mehulcolours.com | **Website:** https://www.mehulcolours.com
Contact Person: Shilpa Karan Mehta, Company Secretary & Compliance Officer

OUR PROMOTERS: MEHUL PRAVINCHANDRA JOSHI AND BHAKTI MEHUL JOSHI

“THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF BSE (“BSE SME”).

BRIEF DESCRIPTION OF THE BUSINESS OF THE COMPANY

We are primarily engaged in the manufacturing of masterbatches, which are used in the plastics industry to impart colour and enhance the functional properties of plastic products.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 30,08,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF MEHUL COLOURS LIMITED (“OUR COMPANY” OR “MCL” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ 72 PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ 2165.76 LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 1,52,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 72 PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 109.44 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,56,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 72 PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ 2056.32 LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 28.51% AND 27.07% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10.00 EACH AND ISSUE PRICE IS ₹ 72.00 EACH.
THE ISSUE PRICE IS 7.2 TIMES OF THE FACE VALUE OF THE EQUITY SHARE.
ANCHOR INVESTOR ISSUE PRICE: ₹ 72.00 PER EQUITY SHARE. THE ISSUE PRICE IS 7.2 TIMES OF THE FACE VALUE.

BID/ ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE WAS: JULY 29, 2025
BID / ISSUE OPENED ON: JULY 30, 2025
BID / ISSUE CLOSED ON: AUGUST 01, 2025

RISKS TO INVESTORS		SUBSCRIPTION DETAILS						
a.	We derived a significant portion of our revenue from the sale of our key product i.e. Masterbatches. Any decline in the sales of our key offering could have an adverse effect on our business, results of operations and financial condition.	The bidding for Anchor Investors was opened and closed on July 29, 2025. The Company received 05 Anchor Investor Application Forms from 05 Anchor Investors for 14,00,000 Equity Shares. Such 05 Anchor Investors were allocated 8,54,400 Equity Shares at a price of ₹72/- per Equity Share under the Anchor Investor Portion, aggregating to ₹ 6,15,16,800.00						
b.	Substantial portion of our revenue has been dependent upon few customers with which we do not have any firm commitments. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial conditions.	The Issue (excluding Anchor Investors Portion) received 1,480 Applications for 1,62,84,800 Equity Shares (after considering invalid bids but before technical rejections) resulting 7.56 times subscription (including reserved portion of market maker and excluding anchor investor portion). The details of the Applications received in the Issue from various categories are as under (before rejections):						
c.	Our Company does not have long-term agreements with suppliers for our input materials and a significant increase in the cost of, or a shortfall in the availability, or deterioration in the quality, of such input materials could have an adverse effect on our business and results of operations.	Detail of the Applications Received (excluding Anchor Investors Portion):						
d.	There are outstanding legal proceedings involving our Company and our Directors. Any adverse decisions could impact our cash flows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.	Sr. No.	Category	Number of Applications	No. of Equity Shares Applied	Equity Shares Reserved as per Prospectus	No. of times Subscribed	Amount (₹)
e.	We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders, product recalls, product liability, warranty claims and other disputes and claims.	1.	Market Maker	1	1,52,000	1,52,000	1	1,09,44,000
f.	We do not own the existing manufacturing facilities, godown, sales depot and registered office from where we carry out our business activities. In case of non-renewal of lease agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.	2.	Qualified Institutional Buyers (excluding Anchor portion)	11	77,05,600	5,71,200	13.49	55,48,03,200
g.	Setting up of a new manufacturing facility requires substantial capital outlay before we realize any benefits or returns on investments and is subject to the risk of unanticipated delays.	3.	Non-Institutional Bidders 1 (More than 2 lots & up to ₹1,000,000/-)	137	7,53,600	1,42,400	5.29	5,42,59,200
h.	Any disruptions or shutdown of our manufacturing operations at our existing facilities could have an adverse effect on our business, financial condition and results of operations.	4.	Non-Institutional Bidders 2 (More than ₹1,000,000/-)	198	40,48,000	2,86,400	14.13	29,14,56,000
i.	Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospects and future financial performance. Moreover, information relating to capacity utilization of our production facility included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off and future production and capacity utilization may vary.	5.	Individual Investors	1,133	36,25,600	10,01,600	3.62	26,11,00,800
j.	Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.	TOTAL		1,480	1,62,84,800	21,53,600	7.56	1,17,25,63,200
k.	We require certain approvals, licenses, registrations and permits to operate our business and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.	Final Demand:						
l.	Our inability to effectively manage risks associated with international sales could significantly impact our overall profitability. These risks include potential losses in foreign markets, disruptions to operations and challenges arising from international trade complexities.	A summary of the final demand as per BSE as on the Bid/ Issue Closing Date at different Bid prices is as under:						
m.	There have been instances of delays and non-deposit of certain statutory dues, including ESIC, PF and Professional Tax. Any cognizance being taken by respective authorities or future delays or non-compliance in payment of statutory obligations may result in penalties, interest liabilities, or regulatory actions, which could adversely impact our business, financial condition, results of operations and cash flows.	Sr. No.	Bid Price	No. of Applications	Sum Quantity	Cumulative Share	% to Total	
n.	Average cost of acquisition of Equity Shares held by the Individual Promoters is:	1.	68.00	27	100800	23347200	0.4317	
		2.	69.00	6	19200	23246400	0.0822	
		3.	70.00	17	54400	23227200	0.2330	
		4.	71.00	11	35200	23172800	0.1508	

Note: On July 02, 2025, Mr. Mehul Pravinchandra Joshi, Promoter of the Company, sold 2,37,000 equity shares for a total consideration of ₹ 1,13,76,000. As the sale proceeds exceeded the aggregate original cost of acquisition of the said shares, the cost of acquisition for the equity shares currently held by the Promoter is considered to be NIL.

and the Issue Price at the upper end of the Price Band is ₹ 72 per Equity Share.
• The Price/ Earnings ratio based on Diluted EPS for Fiscal 2025 for the company at the upper end of the Price Band is 9.86 times.
• Weighted Average Return on Net worth for Fiscals 2025, 2024 and 2023 is 31.27%.

a) The Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years from the date of Prospectus is as given below:

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price (₹ 72) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last one year	1.52	47.36	Nil*-48**
Last eighteen months	1.52	47.36	Nil*-48**
Last three years	1.48	48.64	Nil*-48**

*Nil represents the acquisition on account of the bonus issue of 72,51,000 Equity shares allotted on October 24,2024.

** On July 02, 2025, Mr. Mehul Pravinchandra Joshi, Promoter of the Company, sold 2,37,000 equity shares for a total consideration of ₹ 1,13,76,000 at a price of ₹ 48

b) The Weighted average cost of acquisition compared to Floor Price and Cap Price.

Types of transactions	Weighted Average Cost of Acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ 68)	Issue price/Cap price (i.e. ₹ 72)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA ^	NA ^	NA ^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA ^ ^	NA ^ ^	NA ^ ^
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	47.92	1.41 times	1.50 times

Note:

^ There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Prospectus.

^ ^ There were no secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Prospectus.

PROPOSED LISTING ON BSE SME : AUGUST 06, 2025*

The Issue was being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue was available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), Our Company in consultation with the Book Running Lead Manager has allocated upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”). Further, not less than 15% of the Net Issue was made available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion was available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion was available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non Institutional Portion. In addition, not less than 35% of the Net Issue was made available for allocation to Individual Investors in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors were not permitted to participate in the Issue through the ASBA process. For details, see “**Issue Procedure**” beginning on page 256 of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause pertaining to BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE. The trading is proposed to be commenced on August 06, 2025*

*Subject to the receipt of listing and trading approval from the BSE (“BSE SME”).
(Continued next page...)

5) **Allotment to QIBs excluding Anchor Investors (After Rejections):** Allotment to QIBs, who have bid at the Issue Price of ₹ 72/- per Equity Share has been done on a proportionate basis in consultation with BSE. This category has been subscribed to the extent of 13.49 times of QIB portion. The total number of Equity Shares allotted in the QIB category is 5,71,200 Equity Shares, which were allotted to 11 successful Applicants:

Category	FI'S/BANK'S	MF'S	IC'S	NBFC'S	AIF	FPI	Others	Total
QIB	0	0	0	2,97,600	1,69,600	1,04,000	-	5,71,200

6) Allotment to Anchor Investors (After Technical Rejections): The Company in consultation with the BRLM has allocated 8,54,400 Equity Shares to 5 Anchor Investors at the Anchor Investor Issue Price of ₹ 72 per Equity Shares in accordance with the SEBI (ICDR) Regulations. This represents upto 60% of the QIB Category.

Category	FI'S/BANK'S	MF'S	IC'S	NBFC'S	AIF	FPI	VC'S	Total
ANCHOR	-	-	-	-	7,15,200	1,39,200	-	8,54,400

The Board of Directors of our Company at its meeting held on August 04, 2025 has taken on record the basis of allotment of Equity Shares approved by the designated Stock Exchange, being BSE and has allotted the Equity Shares to various successful applicants. The Allotment Advice Cum Refund Intimation will be dispatched to the address of the investors as registered with the depositories. Further, instructions to the SCSBs have been dispatched / mailed for unblocking of funds and transfer to the Public Issue Account on or before August 05, 2025. In case the same is not received within ten days, Investors may contact the Registrar to the Issue at the address given below. The Equity Shares allotted to the successful allottees shall be uploaded on August 05, 2025 for credit into the respective beneficiary accounts subject to validation of the account details with the depositories concerned. The Company is in the process of obtaining the listing and trading approval from BSE and the trading of the Equity Shares is expected to commence trading on August 06, 2025.

Note: All capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Prospectus dated August 04, 2025 filed with the Registrar of Companies, Mumbai, Maharashtra, ("RoC").

INVESTORS, PLEASE NOTE

The details of the allotment made has been hosted on the website of the Registrar to the Issue, Bigshare Services Private Limited at website: www.bigshareonline.com

TRACK RECORD OF BOOK RUNNING LEAD MANAGER: The BRLM associated with the Issue has not handled any public issues so far.

All future correspondence in this regard may kindly be addressed to the Registrar to the Issue quoting full name of the First/ Sole Bidder Serial number of the ASBA form, number of Equity Shares bid for, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and copy of the Acknowledgment Slip received from the Designated Intermediary and payment details at the address given below:



Bigshare Services Pvt. Ltd.

Bigshare Services Private Limited

Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East)Mumbai – 400093, India.

Telephone: +91 22 6263 8200 | Email: ipo@bigshareonline.com | Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Vinayak Morbale | SEBI Registration Number: INR000001385

On behalf of Board of Directors

Mehul Colours Limited

Sd/-

Mehul Pravinchandra Joshi

Designation: Chairman & Managing Director

DIN: 00178766

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF MEHUL COLOURS LIMITED.

Disclaimer: Mehul Colours Limited has filed the Prospectus with the RoC on August 04, 2025 and thereafter with SEBI and the Stock Exchange. The Prospectus is available on the website of the BRLM, Seren Capital Private Limited at www.serencapital.in and the Company at: www.mehulcolours.com and shall also be available on the website of the BSE and SEBI. Investors should note that investment in Equity Shares involves a high degree of risk and for details relating to the same, please see “**Risk Factors**” beginning on page 26 of the Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being Issued and sold outside the United States in ‘offshore transactions’ in reliance on Regulation under the Securities Act and the applicable laws of each jurisdiction where such Issues and sales are made. There will be no public Issuing in the United States.