



INDIGO

Be surprised!

Date: August 09, 2021

To, BSE Limited Corporate Relationship Department 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 543258	To National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai -400051 NSE Symbol: INDIGOPNTS
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Dear Sir/Madam,

Sub: Annual Report of the Company and Notice convening 21st Annual General Meeting (“AGM”).

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed Notice convening the 21st AGM and the Annual Report of the Company for the financial year 2020-21. In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2020-21 has been sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The AGM of the Company will be held on Thursday, 02nd September, 2021, at 14:00 Hrs IST through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars.

This intimation is also available on the website of the Company www.indigopaints.com

You are requested to take the above information on record.

Thanking you,

For Indigo Paints Limited

(formerly known as Indigo Paints Private Limited)

Sujoy Sudipta Bose

Company Secretary & Compliance Officer





INDIGO
Be surprised!

WE'VE ONLY JUST BEGUN...



2020-21
Annual Report

Indigo Paints Limited

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To get this report online and for any other information, log on to www.indigopaints.com/investors



In a span of two decades, Indigo Paints has earned itself a reputation for being an innovative paints manufacturer. By offering a wide range of differentiated products, we have been able to establish a strong recognition for our brand, and have successfully leveraged this brand equity to grow our distribution network. We have chosen the unconventional route of building our distribution network with a bottom-up approach, i.e. starting from small towns and rural areas and then progressively moving to the larger cities. We have chosen a unique approach towards brand building, employee engagement and retention. These innate characteristics of our business have come together to help us achieve a track record of consistent growth, despite being a relatively newer entrant in a highly competitive industry.

For us, our strong performance today, is only the beginning of even stronger performance tomorrow, as we enhance our brand connect, distribution network and manufacturing competencies, while staying as innovative as ever to cater to changing and emerging consumer needs.

So, join us in this journey as we seek a better tomorrow for all our stakeholders.

We've only just begun...



Introducing Indigo Paints

Founded in the year 2000, Indigo Paints is one of the fastest-growing paint companies in India. It is also the fifth largest decorative paint manufacturer in India in revenue and fourth largest in terms of market capitalisation. The Company's product offering encompasses emulsions, enamels, wood coatings, distempers, primers, putties and cement paints.



Innovation is at the heart of everything at Indigo Paints. This is reflected in the Indigo Differentiated Products portfolio which includes several pioneering and value-added offerings. Along with driving innovation, the Company has also stayed focused on building brand equity for its primary consumer brand, establishing a vast distribution network to extend its consumer reach, and installing tinting machines across its dealer network. The Company's growing strengths coupled with its ability to drive excellent execution through a differentiated strategic approach has made it one of the strongest contenders in the Indian paint industry.

Differentiated portfolio

Complete range of decorative paints with several first-to-market products

Extensive distribution network

Present in 27 States and 7 UTs in India

Unique Market Strategy

Building penetration from smaller towns into larger cities

Strategic manufacturing base

Manufacturing plants at three locations situated close to raw material sources

High brand salience

Unified brand across categories and segments and Brand Ambassador with a pan-India appeal

Competent team

Senior professionals from the paint industry with considerable experience and a very low attrition rate

Indigo Paints in Numbers



5th

Largest decorative paint manufacturer in India



ZERO

Net Debt



4th Largest

Paint Company in India by Market Capitalisation



27 States, 7 UT

India market presence



~29.53%

Revenues from highly differentiated products



13,214

Active dealers



5,472

Tinting machines installed



Rs. 723.32 Cr

Revenue from operations in FY 2020-21



Rs. 122.52 Cr

EBITDA in FY 2020-21



28.52%

5-year CAGR of Revenue from operations



Rs. 11,397 Cr

Market Capitalisation



all facts and figures are as of March 31, 2021, unless otherwise mentioned

Strategically Located Manufacturing Facilities



1,10,700 KLPA

Installed production capacity for liquid paints



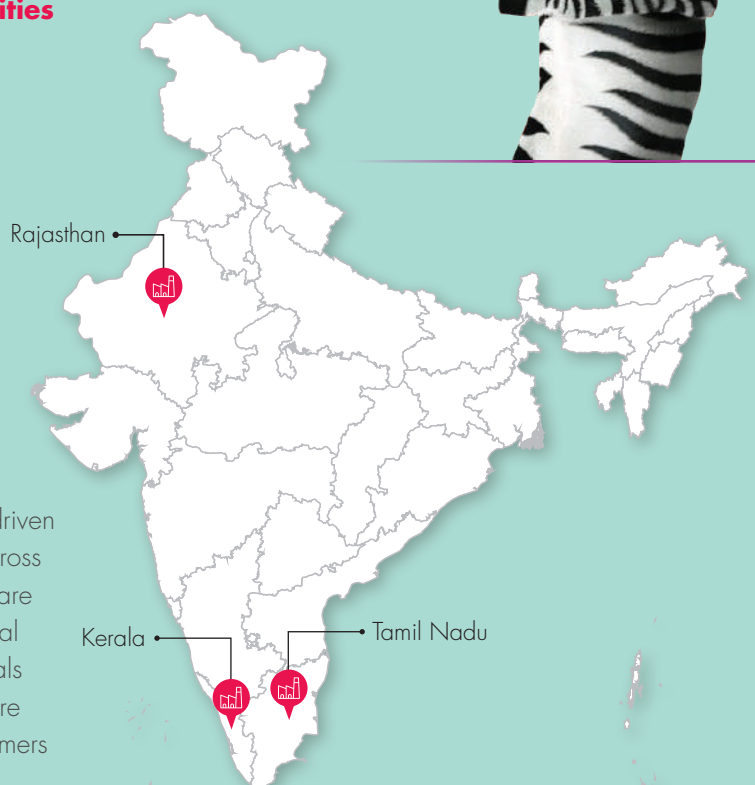
1,38,000 MTPA

Installed production capacity for putties and powder paints

as of March 31, 2021



The Company's manufacturing facilities, which are driven by stringent quality control norms, are spread out across Rajasthan, Kerala and Tamil Nadu. All the facilities are strategically located in close proximity to raw material sources, which helps to reduce input costs of materials and facilitate ease of procurement. These facilities are built to deliver superior products to delight end-customers as well as enhance the brand equity.



Stepping Stones in the Journey

At Indigo Paints, milestones are seen as stepping stones, indicating to us that the journey has only just begun, and it has a long way to go.



Product Offerings



Emulsions



Enamels



Wood Coatings



Distempers



Primers



Putties



Cement Paints



Message from the Chairman & Managing Director



“

As a responsible and concerned organisation, your Company's foremost priority in these exceptional times has been the health and well-being, of its workforce.

Dear Shareholders,

As I write this letter, I am filled with mixed emotions. I am reminded of all the difficulties and devastation caused by the COVID-19 pandemic. The human suffering has been colossal and tragic, and my heart goes out to all those who have lost their loved ones. I am also reminded of the achievements made by your Company during the year, that will allow it to build on its success and create better stakeholder value. The unyielding dedication and resolve of all our people throughout this unprecedented period has enabled your Company to emerge stronger from this crisis. I take this opportunity to express my pride and gratitude for their efforts.

The year was also significant as your Company commenced its journey as a listed entity. Your Company's Initial Public Offering (IPO) received an overwhelming response being subscribed 117 times. On behalf of the Board of Directors, I welcome the new shareholders to the Indigo Paints family and offer my thanks to the investor community for the faith they have reposed in the Company. The net proceeds from the IPO have been utilised to repay borrowings to further strengthen our balance sheet. The net proceeds will also be deployed towards expanding the manufacturing facility in Tamil Nadu and purchasing tinting machines and gyro shakers. These investments will enable your Company to pursue a higher growth trajectory. I am also pleased to report that within the very first year of listing, your Company's market capitalisation reached Rs. 11,397 Cr as of March 31, 2021.

The COVID-19 pandemic unleashed the largest economic shock the world has experienced in decades. In India, the nationwide lockdown and cessation of economic activities had a strong bearing on the performance of several industries, including the paint industry. During the first quarter of FY 2020-21, the Gross Domestic Product (GDP) contracted by 23.9%. With the opening up of the economy, growth gradually returned aided by pent-up demand and festive sales.

Your Company's business was also impacted by the pandemic, especially in the first quarter of the fiscal when its manufacturing facilities and distribution outlets were temporarily shut down and it had to contend with transportation and

logistics disruption across the country. Despite this initial setback, your Company made a sharp rebound as soon as conditions started turning favourable, with its recovery being significantly faster than the industry. Higher exposure to Tier III and IV cities and rural areas and faster reactivation of the manufacturing facilities and distribution network, thanks to the efforts of our people, facilitated this swift revival. For the full year, your Company's revenue grew by ~16% compared to the single-digit or negative growth as recorded by the other players in the industry. Your Company's sharp focus on rationalising costs and improving efficiencies enabled it to report robust EBITDA and PAT numbers of Rs. 122.52 Cr and Rs. 70.85 Cr respectively.

A key strength for your Company is its product differentiation. Your Company has consistently launched first-to-market products that meet the exacting needs of consumers through insights generated from market-led research. These category-creator and value-added offerings are not only growing at a faster pace vis-à-vis your Company's other products but also generate higher margins. Even in a pandemic-hit year, this positive trend continued, to further increase the contribution of differentiated products to your Company's overall revenue.

Enhancing the distribution network and deploying more tinting machines through the dealer base is pivotal to your Company's growth strategy. In line with this priority, it gives me great satisfaction to share that during the year, eight new depots were opened in different parts of the country and 2,000+ net active

The year was also significant as your Company commenced its journey as a listed entity. Your Company's Initial Public Offering (IPO) received an overwhelming response, being subscribed 117 times.



Message from the Chairman & Managing Director

These investments will ensure that your Company is best positioned to access growth opportunities in the fast-growing Indian decorative paints industry.

dealers were added to strengthen product reach. Your Company also added 1,100+ tinting machines, a special equipment to mix and match colours and produce the consumer's desired shade, across the dealer stores. These investments will ensure that your Company is best positioned to access growth opportunities in the fast-growing Indian decorative paints industry.

Your Company's strategy of having a unified brand across segments and categories has created a strong brand salience. Brand salience particularly plays an important role in the Indian Paint Industry. Recognising this, your Company has been steadily building its brand equity through aggressive advertising and marketing, particularly by increasing the share of voice in media advertising. These continued investments in advertising and marketing will enable your Company to enhance its brand visibility and recall, facilitating the penetration of its products pan-India.

To meet its growing business needs, your Company invests in major expansion work every three-four years. A water-based paint manufacturing facility is being set up in Tamil Nadu, next to your Company's existing solvent-based paint manufacturing plant. The land for the new manufacturing plant has been acquired and the construction work has commenced. The plant is expected to be commissioned in FY 2022-23. As mentioned earlier, this capex is being largely funded from the IPO proceeds and a portion through internal accruals. Every year, your Company also invests in capex for plant debottlenecking,

upgrading of facilities and process improvements, among others, which are internally funded. As part of this regular capex, the production capacity of the Putty plant in Jodhpur was almost doubled during the year.

As a responsible and concerned organisation, your Company's foremost priority in these exceptional times has been the health and wellbeing of its workforce. Along with the strict adoption of COVID-19 appropriate protocols across all Company locations, all possible support was extended to the employees including contract workers, to help them navigate this period of uncertainty. I am also glad to share that not a single employee was retrenched during the crisis and increments were offered to all eligible employees.

Your Company remains committed to being a socially responsible business. Several initiatives were undertaken during the year to support the education of the girl child from underprivileged families. Aligned with the focus on being an environmentally sustainable business, all your Company's plants are zero-discharge facilities. Your Company remains committed to balancing growth with environmental sustainability.

Entering FY 2021-22, the world continues to be tested by the pandemic. While staying vigilant to the challenges, your Company is confident that its focus on scaling its active dealer base, increasing the fleet of its tinting machines and strengthening its brand visibility will position it well going into the new fiscal. Your Company remains geared towards

not only expanding its presence in new geographies but also fortifying its presence in the Tier-1 and metro cities where its presence is relatively small. The industry opportunities are significant with the market for decorative paints projected to see double-digit growth in the medium-term. Your Company aims to grow at 2-3 times the industry growth. Holding around 2% of the market share currently and supported by a strong balance sheet, the opportunity for your Company to deepen its market penetration and scale up the business is considerable. Indigo Paints has only just begun on its growth journey.

In closing, I would like to thank all our employees once again for their commitment. I would also like to express my appreciation to my fellow Directors for their constant support and guidance. Finally, I offer my thanks to our consumers, business partners, suppliers, shareholders and all other stakeholders for their continued trust in the Company. At Indigo Paints, as a young brand, your Company is energised about its potential and is driven to script a powerful story. I look forward to the years ahead as we work towards building an inspiring Company that benefits all stakeholders.

With warm regards,

Hemant Jalan

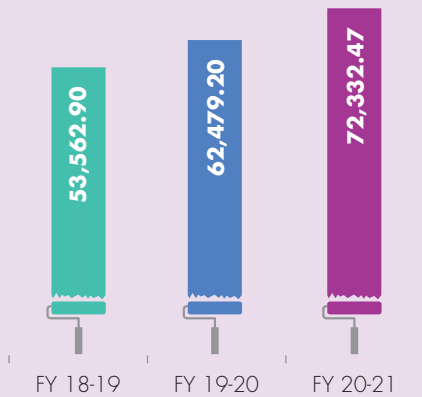
Chairman and Managing Director



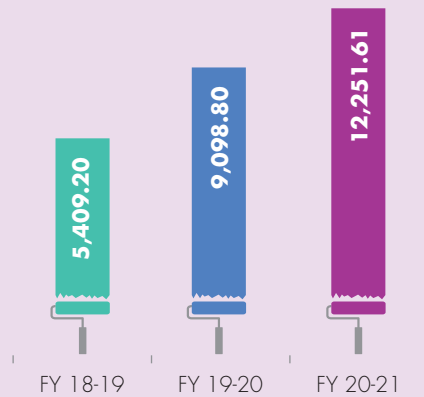
Performance Review

Financial Highlights

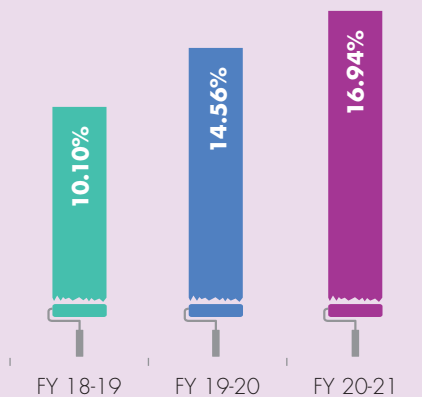
Revenue from Operations (Rs. Lakhs)



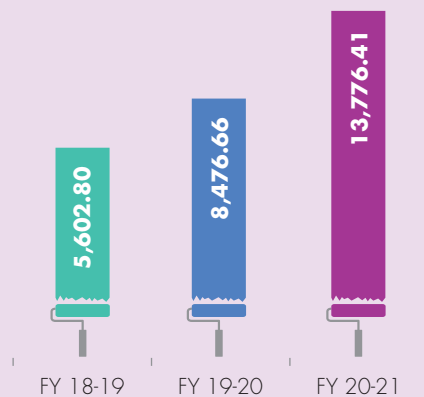
EBITDA (Rs. Lakhs)



EBITDA Margin (%)

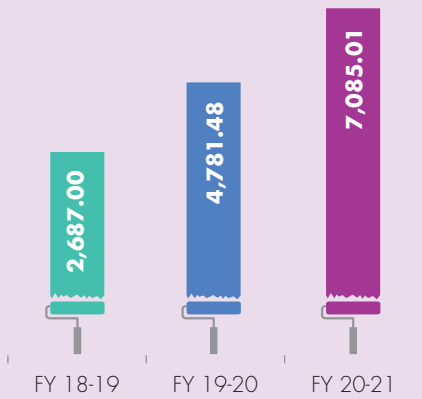


Cash from Operations (Rs. Lakhs)

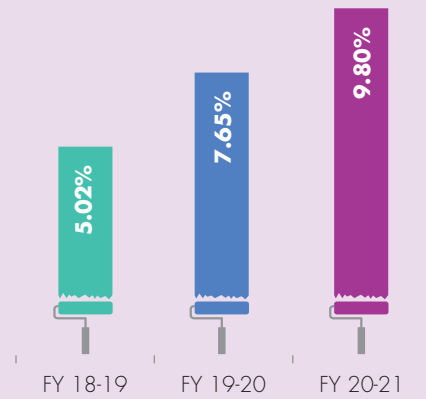


Financial Highlights

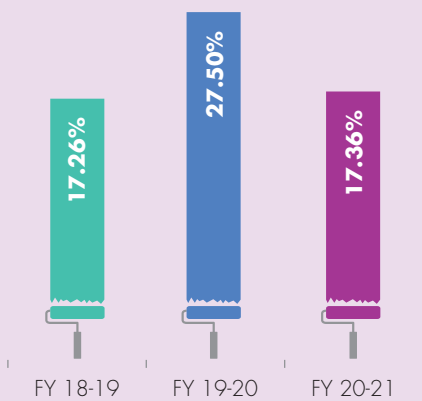
PAT (Rs. Lakhs)



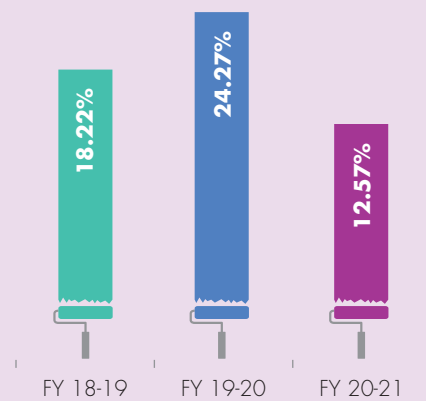
PAT Margin (%)



ROCE (%)



ROE (%)

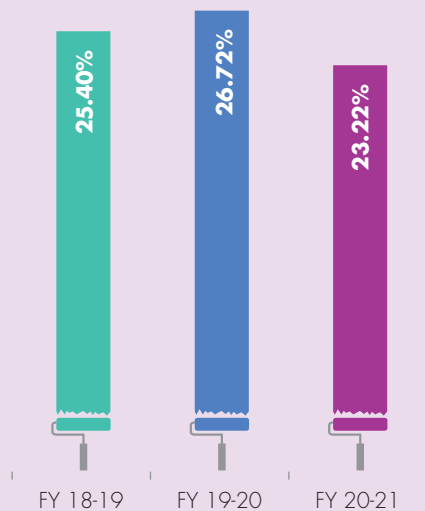


Performance Review

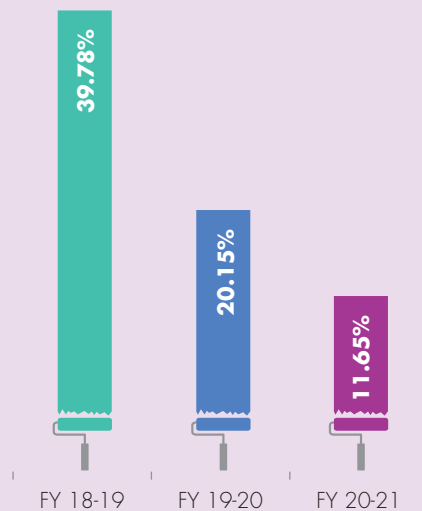
Operational Highlights

Value Growth

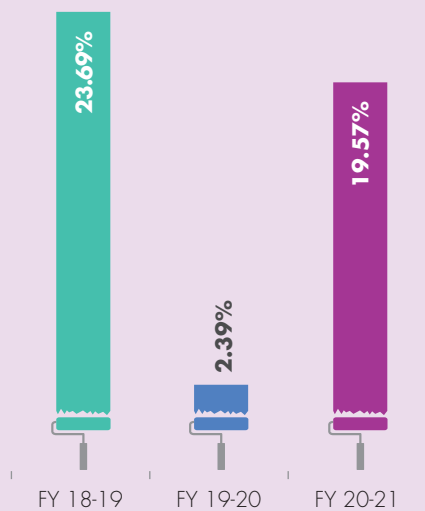
Cement Paints + Putty



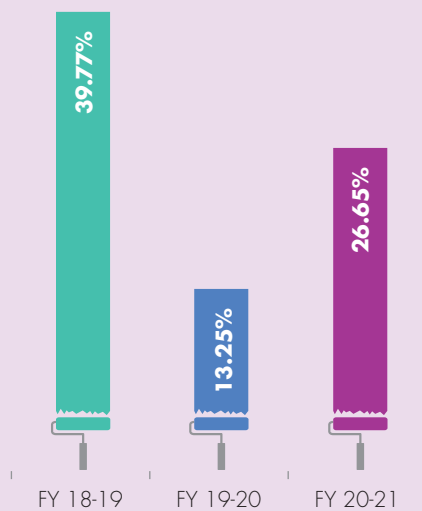
Emulsions



Enamels + Wood Coatings



Primers + Distempers + Others



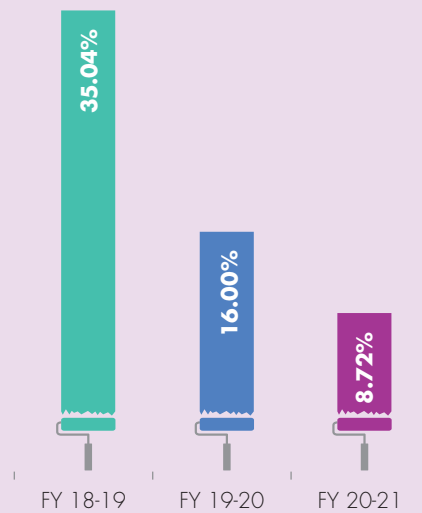
Operational Highlights

Volume Growth

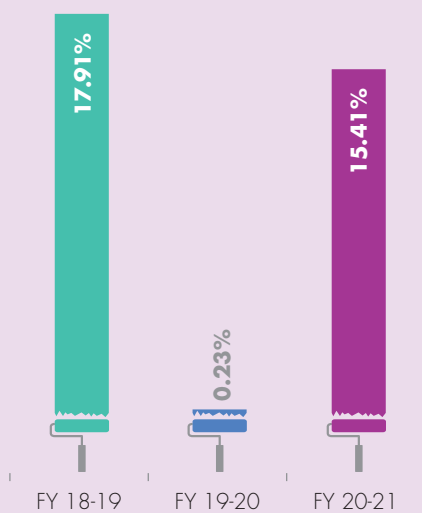
Cement Paints + Putty



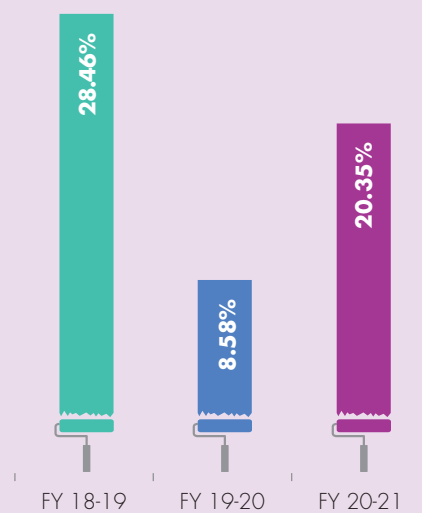
Emulsions



Enamels + Wood Coatings



Primers + Distempers + Others



Accelerating Growth by Driving Product Innovation

Innovation is fuelling the future of Indigo Paints. The Company is translating its expertise and insight into differentiated new products that address new trends to fulfil the unmet needs of a changing world.

Delivering differentiated products

The innovation culture is directed at creating first-to-market and niche products that deliver meaningful benefits for the end-customers. This approach is reflected in the Indigo Differentiated Products portfolio, which is categorised under the two segments of category-creator products and value-added products.

Indigo Differentiated Products

Category-Creator Products



Differentiated products disrupting the market to create a new category

First company to introduce certain category-creator products, including Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions and Floor Coat Emulsions in the decorative paint market in India.

These products are differentiated based on their end-use specifications.

- Metallic Emulsion paints are made of special effect pigments that impart designer finish with glossy metallic texture effect to the walls
- Tile Coat Emulsion paints are designed for external roof tiles to provide gloss and sheen
- Floor Coat Emulsion paints are used on terrace floors, driveways, walkways and cement surfaces and provide a glossy finish

Value-Added Products



Differentiated products in existing categories

First company to launch certain other types of emulsion paints such as the Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and enamels such as PU Super Gloss Enamel.

These products are differentiated in terms of certain value-added properties.

- Dirtproof & Waterproof Exterior Laminate combines the benefits of dirt resistance and waterproofing properties
- Exterior and Interior Acrylic Laminate is a rich sheen paint suitable for both interior and exterior walls
- PU Super Gloss Enamel is an enamel paint suitable for various types of surfaces and protects wood and metal while providing a glossy surface finish



Understanding market dynamics

The Company extensively engages with dealers and the painter community through the ground-level sales team to understand the demand dynamics for various products in the market. The Company also undertakes research, attends industry trade fairs, and keeps abreast with industry trends and practices. These insights enable it to identify potential product opportunities and develop category-creator products to cater to distinct requirements in the Indian decorative paint industry.

Broadening the differentiated portfolio

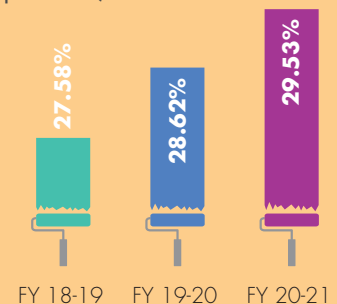
The cornerstone of the Company's successful track record of high growth has been its investments in product innovation. The focus remains to drive a discernible, competitive advantage by creating new differentiated propositions. The portfolio expansion of differentiated products enables the Company to widen its end-user base. The development of category-creator products also gives the Company an early-mover advantage. This allows it to command the pricing terms for these products, resulting in higher gross margins.

Enhancing visibility of differentiated products

The Company has stayed focused on aggressively marketing its differentiated offerings owing to the distinct market they serve and the limited number of players manufacturing these products. This strategy has rewarded the Company well, as reflected in increased acceptance and demand for its differentiated products. This strong brand equity is also helping the Company to expand the reach for its other decorative paint products, aiding deeper penetration in existing geographies and foray into newer markets.

Growing share of revenues from differentiated products

(Sales of differentiated products as a percentage of total revenue from operations)



Indigo Paints is the first company in India to offer metallic paint for walls, floor paint that can withstand vehicular traffic, specifically developed ceiling paint for brighter ceilings, and a unique tile paint for roofs.

Accelerating Growth by Strengthening the Brand

The Company understands the value that brand recognition brings towards generating growth. The continued focus is to invest in keeping the brand differentiated, innovative and exciting, today and tomorrow.



Use of singular brand name

Similar to its unique product offerings, the Company's advertising and marketing strategy is also differentiated. The products are sold under only one brand name, 'Indigo', and classified on the basis of price points as Platinum, Gold, Silver, and Bronze series. The use of a singular name across the portfolio, rather than focusing on product-specific sub-brands, has helped to foster strong brand recall in a highly advertised category. The packaging has also been kept uniform across the product series to enhance brand recognition at dealer outlets.

Advertising skewed towards differentiated portfolio

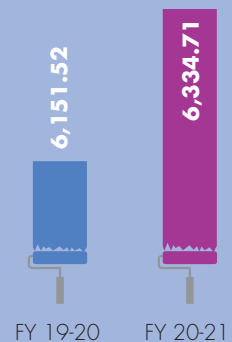
Another characteristic that differentiates the Company's advertising strategy is that it consciously chose to initially advertise only its differentiated products. With these products garnering strong market acceptance, the 'Indigo' brand has been leveraged to build brand equity for the Company's other paint products as well. This approach has enabled the Company to efficiently manage marketing and advertisement expenses and yet achieve extensive brand recognition within a relatively short period.

Aggressive media spends

Over the past three years, the Company's advertisement and promotion expenditure has been in the range of 10-13% of its revenue from operations, as against the industry range of 3-5%, signalling its aggressive approach towards enhancing brand visibility. The focus remains on vigorously driving advertising and marketing campaigns to enhance brand salience and connect. In fact, the Company's media advertising spends, a subset of the advertisement and promotion expenditure, in absolute terms is almost similar to that incurred by most of the major industry players. The consistent investments in strengthening the 'Indigo' brand has enhanced brand recognition and also helped the Company grow its footprint and expand into new markets.

Investing in brand building

Media advertising expenditure (Rs. Lakhs)



Exciting associations

The Company has brought on board Mr. Mahendra Singh Dhoni, a sportsman with a pan-Indian appeal across demographics, as its brand ambassador. This association with one of the finest cricketers has enabled the Indigo brand to reach out to audiences across the country and take the brand connect to a new level.

As part of its brand-building strategy, the Company has created a Unique brand mascot "Zebro" with colourful stripes (instead of just black and white ones). The differentiated brand mascot resonates with the Company's quest to deliver surprising and uncommon paint solutions. Zebro regularly features in the Company's marketing materials to increase brand recall. To further build brand visibility and deepen the engagement with dealers, the Company also liaises with dealers to display boards and carry out in-shop branding at their outlets.



Accelerating Growth by Expanding the Distribution Network

Dealers are an invaluable link through which the Company reaches out to the end-customers. The steadfast focus is on expanding the dealer base and strengthening the relationship with dealers for driving greater brand penetration.

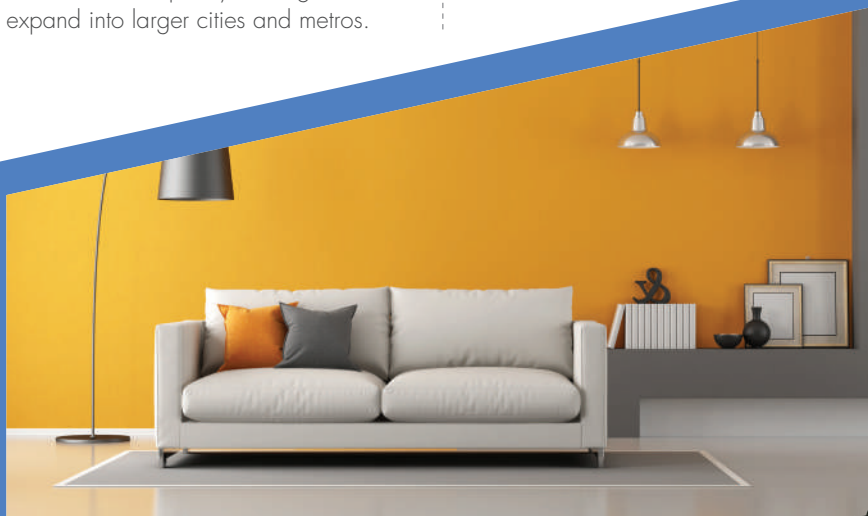
Starting from small towns

In over two decades of operation, the Company has established its distribution network gradually and strategically with prudent use of time, cost and resources. Being a relatively new entrant in the market, the strategy of building the brand from smaller towns of India was adopted. The focus was first on partnering with dealers in the unsaturated markets of Tier III and IV cities, and rural areas, where brand penetration is easier, and dealers have greater ability to influence customer purchase decisions. This has helped the Company to engage with a larger base of dealers across these markets, which has been subsequently leveraged to expand into larger cities and metros.

Distribution strategy that delivers

The approach of first creating a base in smaller towns was not only differentiated from that of other industry players, who instead focused on metro and Tier I cities, but was also well-thought-out. The growth of India's decorative paints industry is being driven by the increase in consumption of paints in Tier II, III and IV cities. Also, rural areas and these smaller towns account for nearly half of the industry sales. Being predominantly present in

areas where the demand is increasing the fastest has enabled the Company to achieve a high growth of ~40% over the last decade (FY 2010-11 – FY 2020-21).





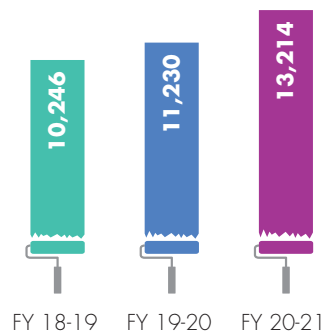
Moving outwards to deepen presence

The Company's focus is to increase its penetration in the markets where it currently operates by replicating the same proposition that has helped it to grow in the past. In States where the Company has been present for a considerable period, such as Kerala, West Bengal, Bihar, Jharkhand, Chhattisgarh, Odisha and Uttar Pradesh, it is expanding outwards into Tier I and II cities, from its existing network in Tier II, III and IV cities, and rural areas. For instance, the Company now has a significant presence in larger cities including Kochi (Kerala) and Thiruvananthapuram (Kerala), Patna (Bihar), Ranchi (Jharkhand) and Kanpur (Uttar Pradesh), and intends to continue to expand its network outwards into other cities having huge untapped potential.

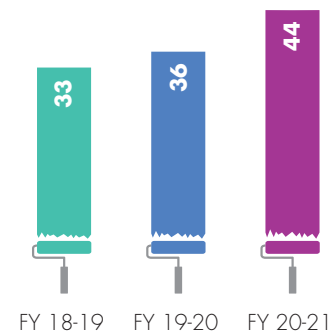
In States that it has recently forayed into, such as Telangana, Gujarat, Maharashtra, Karnataka and Tamil Nadu, the Company continues to follow its successful bottom-up expansion strategy. The Company is also strengthening its network in North India, particularly in the states of Punjab and Uttarakhand, and the Union Territory of Jammu & Kashmir, where it has recently commenced product distribution. With the intent to serve the dealers efficiently, depots have been set up at major locations across the distribution network.

Growing the distribution network

Active Dealers



Depots



Strengthening dealer relationships

Along with growing the distribution base, the Company also emphasises on strengthening the relationship with its dealers. The focus has been to first approach the dealers with Indigo Differentiated Products as these products have high marketability. Having secured the confidence of the dealers through these innovative products, the Company then capitalises on these relationships to distribute a wider range of its decorative paints.

Keeping the dealers engaged, incentivised and motivated is another important aspect for strengthening the association with them. The distribution of branded merchandise and hosting of beneficial activities, such as painter meets where trained engineers carry out blind testing of the Company's offerings against other products available in the

market, have enabled the Company to deepen its dealer connect. The Company has also introduced loyalty programs for the dealers and painters to further strengthen its relationship with them. These engagements also help in collecting product feedback and insights on emerging trends and support the efforts towards new product development. The dealers also help to reinforce the brand connect by partnering the Company's marketing and promotion activities. For instance, the dealers often display advertising boards for Company's products and life-size cut-outs of the brand ambassador at their outlets to attract consumers.

Industry-best practices and latest technology tools are being deployed to engage better with the dealers. A well-integrated SAP system is in place to manage inventory and effectively service the dealers.



Accelerating Growth by Fortifying Capabilities

The Company's manufacturing proficiency and ability to set up tinting machines with dealers, coupled with the talent of its motivated team, has enabled it to build a competitive edge. Investments in growing these capabilities continue for higher growth.

Upcoming facility for water-based paints

The consumption of water-based paints is rising globally. In India, as well, the adoption of water-based and high solids coating is expected to increase driven by regulatory changes, as these solutions have lower contents of volatile organic

compounds. Growing consciousness of the planet's vulnerabilities is also driving the adoption of green technologies and bio-based materials, fuelling the demand for water-based coatings in the country. As per industry reports, the Decorative Paints industry is estimated to grow at a CAGR of 13% through 2024 with water-based paints like emulsions expected to witness higher growth.

The Company currently has manufacturing facilities for water-based paints in Kochi, Kerala and Jodhpur, Rajasthan,

while the facility at Pudukkottai, Tamil Nadu supports the manufacturing of solvent-based paints. Keeping in focus the demand dynamics, the facility at Tamil Nadu is being expanded to include the manufacturing of water-based paints. The first steps for this have already been initiated. This includes the acquisition of additional land adjacent to the Company's existing unit and the finalisation of the blueprint and design specifications for the first phase of the proposed expansion. Post completion of the first phase, the expansion unit is expected to have an estimated installed capacity of 50,000 KLPA. The new unit is likely to be operational during FY 2022-23.



Enhancing manufacturing capacity

During the year, the Company expanded the capacity at its existing Jodhpur facility. The capacity has been almost doubled for powder paints such as putties. By enhancing the competencies which have enabled it to traverse a successful journey, the Company is reinforcing its foundation to go even further ahead.

Growing the fleet of tinting machines

Tinting machines at dealer counters are a prerequisite for selling emulsion paints as it enables customers to select their desired shade and product. Dealers also stand to benefit from tinting machines as it reduces the burden of inventories. Along with expanding the distribution network, the growing installation of tinting machines by leveraging dealer relationships has been pivotal in accelerating the Company's growth.

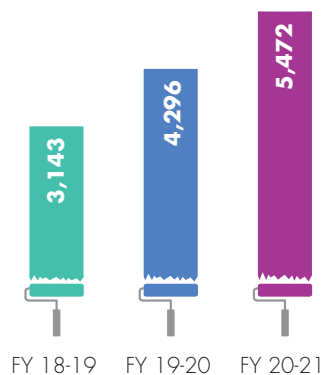
The Company remains focused on populating its tinting machines across its network of dealers to increase the sales of its emulsion paints and to keep up with current trends. Aligned with this objective, relationship with dealers is being strengthened and promotional activities are being undertaken for installation of the Company's tinting machines. As of March 31, 2021, the Company had installed 5,472 tinting machines across India.

The majority of these machines have been installed in the past three years by stepping up branding efforts. Innovative

means such as providing tinting machines with inbuilt computers are also being adopted to drive increased acceptance among dealers. Moreover, for adding tinting machines, the Company continues to follow the bottom-up approach, focusing first on Tier II-IV cities and rural areas where the penetration of tinting machines is relatively low.

Populating tinting machines

Tinting machines installed across the dealer network (as of March 31)



Driven by a talented and empowered team

More than anything else, the Company's strength is entrenched in its people. The operations are driven by an experienced base of key management personnel and young professionals. Moreover, the Company has been successful in building a highly motivated team through its flat organisational structure. Fewer layers of hierarchy have fostered greater autonomy, responsibility and ownership among the people.

The Company's attractive reward and remuneration policy along with its goal-oriented profit-sharing concept has been instrumental in driving talent retention. The attrition rate for the past five years stands at less than 3%, far lower than the Indian paint industry's average annual attrition rate of 20-25%, endorsing the Company's success in building an enabling workplace. The focus remains on promoting a conducive work environment and a high-performance culture to propel individual and organisational growth.



Corporate Social Responsibility

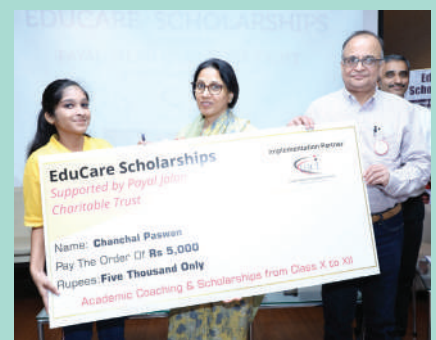
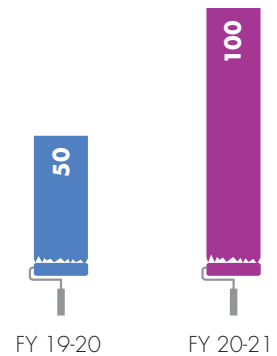


CSR has been a long-standing commitment at Indigo Paints Limited and forms an integral part of our activities. Being a responsible corporate citizen, your Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the wellbeing of the community. Its contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company and the broader community.

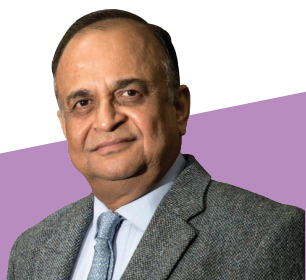
Your Company's objective is to proactively support meaningful socio-economic development through education and empowerment of girls from socially disadvantaged background. The Company identifies potential female candidates from 10th class onwards and provides mentoring and scholarship activities for imparting quality education to the backward, needy and marginalised section of the society. During FY 2020-21, the Company was supporting 100 candidates through its Scholarship Program.

During the pandemic-affected year, the Company had also provided the entire batch of the candidates with smartphones and private tuitions to continue their education without any disruption.

Beneficiaries (No. of Candidates provided with Scholarship Programs)



Board of Directors



Hemant Jalan

Chairman and Managing Director

On the Board since March 2000. Born in the year 1957

Professional Experience

- He has over 20 years of experience in the Paint Industry
- He is one of the promoters of Indigo Paints Limited
- He has been an entrepreneur for most of his professional life.
- He was previously associated with AF Ferguson & Co and Vedanta Group of Industries

Education

- M.B.A. from the University of Chicago
- M.Sc from Stanford University
- B.Tech in Chemical Engineering from the Indian Institute of Technology, Kanpur



Anita Jalan

Executive Director

On the Board since March 2000. Born in the year 1960

Professional Experience

- She is one of the promoters of Indigo Paints Limited
- She is actively involved in CSR activities of the Company

Education

- B.Sc in Home Science



Narayanan Kutty Kottiedath Venugopal

Executive Director

On the Board since February 2016. Born in the year 1948

Professional Experience

- He has over 40 years of experience in the Paint Industry
- He has been an entrepreneur for most of his professional life
- He was previously associated with Asian Paints Limited and Hi-Build Coatings Private Limited

Education

- PGDM from Indian Institute of Management, Calcutta
- B.Sc in Mechanical Engineering from the University of Kerala



Sakshi Chopra

Nominee Director

On the Board since October 2018. Born in the year 1978

Professional Experience

- She has over 10 years of experience in private equity funds
- She is currently associated with Sequoia Capital India LLP as a Principal
- She has advised on investments across a range of consumer, D2C and fintech companies including Five-Star Business Finance, Hector Beverages, B9 Beverages, Faces, Go Colors, Healthkart, Innovcare Lifesciences and Wakefit
- She was previously associated with Deutsche Bank

Education

- M.B.A. from the Asian Institute of Management, Republic of the Philippines
- Post-Graduate Diploma in Advertising and Public Relations from the Indian Institute of Mass Communications
- B.Com from University of Mumbai

Recognitions

- Awarded the Shri Anil Basu memorial award in a postgraduate diploma course in advertising and public relations from the Indian Institute of Mass Communication



Nupur Garg

Independent Director

On the Board since June 2020. Born in the year 1974

Professional Experience

- She has a vast experience in the finance and private equity sectors
- She is the founder of WInPE, a not-for-profit initiative to enhance gender diversity in the investing ecosystem
- She is currently serving as an independent director on the boards of companies including Kerala Infrastructure Fund Management Limited and SIDBI, the Indian development finance institution
- She is an advisor to and a member of the investment committee for the Dutch Good Growth Fund (DGGF) investment funds mandate given by the Dutch government for investments in SMEs in frontier markets across 75 countries
- She is an external expert on the investment committee at the Fund of Fund for Start-ups for investing in the Indian start-up ecosystem
- She is an independent member of the investment committee at the Fund of Funds managed by the National Investment and Infrastructure Fund (NIIF)
- She has led the private equity and venture capital funds business in the region for International Finance Corporation (IFC)

Education

- M.B.A. from MIT Sloan School of Management
- Executive Programme on private equity and venture capital from Harvard Business School
- A qualified chartered accountant from the Institute of Chartered Accountants of India (ICAI)
- B.Com (Hons.) from the University of Delhi

Recognitions

- She was listed in the Forbes W-Power list of Self Made Women in 2020
- She was awarded the Women Empowerment Entrepreneur Award 2019-20
- She was among India's top 100 Women Leaders in Finance (AIWMI 2019)
- She was awarded the Business Excellence and Innovative Best Practices - Academia Award 2019

Board of Directors



Ravi Nigam

Independent Director

On the Board since March 2019. Born in the year 1960

Professional Experience

- He has vast experience in the Food and Agribusiness sectors
- He is currently the President of The Indus Entrepreneurs Association (TiE), Pune Chapter
- He is also currently serving as a Board Member on the board of companies including Visage Lines Personal Care Private Limited, Extraedge Technology Solutions Private Limited, Sunshot Technologies Private Limited and Ronin Wines Private Limited
- He has been an entrepreneur for most of his professional life
- He was previously associated with Tasty Bite Eatables Limited as the Managing Director

Education

- Post Graduate Diploma in Rural Management from Institute of Rural Management, Anand (IRMA)
- Owner President Management program from Harvard Business School (HBS)



Praveen Kumar Tripathi

Independent Director

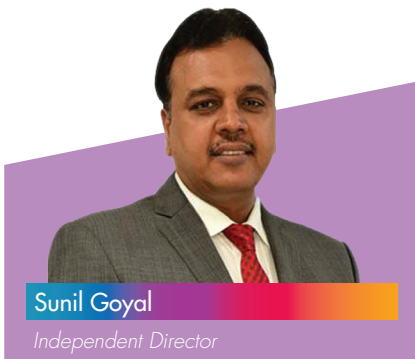
On the Board since November 2014. Born in the year 1957

Professional Experience

- He has vast experience in sectors such as media planning and advertising, media and market research, brand consulting, communication planning, data analytics and financial services
- He is currently serving as a Board Member on the board of companies including Magic9 Media & Consumer Knowledge Private Limited and Indevia Accounting Private Limited
- He has previously served as an Independent Director with Motilal Oswal Financial Services Limited
- He has previously held senior leadership roles in Pidilite Industries Limited, Zenith Optimedia Asia, Starcom India, Chaitra Leo Burnett Private Limited, MARG Marketing & Research Group Private Limited and Lowe Lintas
- He has been a member of the Awareness and Communication Strategy Advisory Council and the Advisory Committee for Information, Education and Communication (IEC) strategy implementation, each constituted by the Unique Identification Authority of India, Government of India
- He has been a member TAM Transparency Panel constituted by TAM Media Research Private Limited and the President of the Market Research Society of India

Education

- PGDM from Indian Institute of Management, Ahmedabad
- B.Tech in Electrical Engineering from the Indian Institute of Technology, Kanpur



On the Board since November 2014. Born in the year 1967

Professional Experience

- He has over 31 years of experience in the field of Financial and Business consultancy, with core strengths in fund raising through debt and equity, business restructuring, business valuations, M&A, strategic alliances and capital markets
- He is currently serving as a Board Member on the board of companies including JSW Energy Limited, JSW Hydro Energy Limited and Jumboking Foods Private Limited
- He is the Founder and Managing Partner of Kreston SGCO Advisors LLP and the Founder of SGCO & Co., a well-known accountancy firm based in Mumbai
- He leads a team of more than 300 professionals in his group and is a member of the Global Board of Kreston International Limited, UK, headquartered in London
- He has also served as the chairman of the Western India Regional Council of the Institute of Chartered Accountants of India for the year 2006-07

Education

- A qualified chartered accountant from the Institute of Chartered Accountants of India (ICAI)
- B.Com from the University of Rajasthan



On the Board since March 2020. Born in the year 1978

Professional Experience

- He has over 16 years of experience in the Private Equity space
- He is a managing director with Sequoia Capital India Advisors Private Limited
- He currently serves on the boards of BYJUs, Capital Float, Eruditus Learning, Faces Cosmetics, Five Star Finance, Finova Capital, HomeLane, India Shelter Finance Corporation, K12 Technoservices, Prataap Snacks Limited, Rebel Foods, Rupeek, Suburban Diagnostics and Turtlemint
- He has also served as a Nominee Director of the Board of Indigo Paints Limited
- He has previously worked at McKinsey & Company, where he advised senior management of top Indian companies on a variety of issues including business building, channel management and leadership development
- He has previously also worked with Wipro Technologies in their Embedded and Internet Access division

Education

- M.B.A. from Indian Institute of Management, Ahmedabad
- B.E. in Computer Science and Engineering from National Institute of Technology, Trichy

Recognition

- He is the recipient of the Midas Touch award by Economic Times Startup Awards 2020
- He is the recipient of IIM Ahmedabad's Young Alumni Achiever's Award, 2019-20 in the Corporate Leadership category

Corporate Information

Directors:

Mr. Hemant Kamala Jalan
Chairperson and Managing Director

Ms. Anita Hemant Jalan
Executive Director

Mr. Narayanankutty Kottiedath Venugopal
Executive Director

Mr. Ravi Nigam
Independent Director

Mr. Sunil Badriprasad Goyal
Independent Director

Mr. Praveen Kumar Ramniranjan Tripathi
Independent Director

Ms. Nupur Garg
Independent Director

Ms. Sakshi Vijay Chopra
Nominee Director

Mr. Ravi Shankar Venkataraman Ganapathy Agraharam
Alternate Director

Chief Financial Officer:

Mr. Chetan Bhalchandra Humane

Company Secretary and Compliance Officer:

Mr. Sujoy Sudipta Bose

Investor Relations:

Mr. Srihari Santhakumar
srihari@indigopaints.com

Mr. Sujoy Sudipta Bose
secretarial@indigopaints.com

Committees of Board:

Audit Committee:

Mr. Sunil Badriprasad Goyal
Chairperson

Mr. Hemant Kamala Jalan

Mr. Ravi Nigam

Mr. Praveen Kumar Ramniranjan Tripathi

Ms. Nupur Garg

Ms. Sakshi Vijay Chopra

Nomination and Remuneration Committee:

Mr. Ravi Nigam
Chairperson

Mr. Sunil Badriprasad Goyal

Ms. Nupur Garg

Stakeholder Relationship Committee:

Ms. Nupur Garg
Chairperson

Mr. Hemant Kamala Jalan

Mr. Narayanankutty Kottiedath Venugopal

Corporate Social Responsibility Committee:

Mr. Hemant Kamala Jalan
Chairperson

Ms. Anita Hemant Jalan

Mr. Praveen Kumar Ramniranjan Tripathi

Risk Management Committee:

Mr. Narayanankutty Kottiedath Venugopal
Chairperson

Mr. Hemant Kamala Jalan

Mr. Chetan Bhalchandra Humane

Statutory Auditors:

SRBC & Co LLP
101, Ground Floor, C Wing,
Panchshil Tech Park, Yerawada,
Pune: 411 016, Maharashtra
Tel No: +91 20 6603 6000

Secretarial Auditors:

ARKS and Associates,
Flat No.4, Vasant Tara Apts,
Above Udyam Vikas Sahakari Bank,
Apte Road, Shivaji Nagar,
Pune: 411 004, Maharashtra.
Tel No: +91 20 2551 1022

Registrar and Share Transfer Agent:

Link Intime India Private Limited
Block No. 202, Akshay Complex,
Near Ganesh Temple,
Off Dhole Patil Road
Pune: 411 001, Maharashtra.
Tel No: +91 20 2616 0084

Bankers and Financial Institutions:

HDFC Bank Limited
5th Floor, Data Processing Centre,
Bund Garden Road,
Pune: 411 001, Maharashtra.
Tel No: +91 20 6769 4663

Registered and Corporate Office:

Indigo Paints Limited
Indigo Tower, Street 5,
Pallod Farm 2, Baner Road,
Pune: 411 045, Maharashtra.
Tel No: + 91 20 6681 4300

Management Discussion and Analysis

The Indian paint industry is estimated at Rs. 545 billion and is poised to grow at a healthy rate and reach Rs. 971 billion by 2024. The decorative and industrial paint markets are expected to grow at a CAGR of 13% and 9.9%, respectively, over 2019-24.



Economic Review

Indian Economy

The Indian economy was severely impacted by the outbreak of the COVID-19 pandemic and contraction of economic activity following the nationwide lockdown. Mobility restrictions and social distancing led to unprecedented supply chain and manufacturing disruptions and weakened investment and consumption demand. As estimated by IMF, India's Gross Domestic Product (GDP) contracted by 8.0% in FY 2020-21 vis-à-vis 4.2% growth recorded in FY 2019-20. In the second half of the year, however, restrictions on inter-state movements were lifted to ensure mobility of goods, thereby easing supply side pressures. Recent economic indicators and data suggest that the economy is headed for a gradual revival;

however, the intensity and depth of the second wave of COVID-19 infections may derail this recovery.

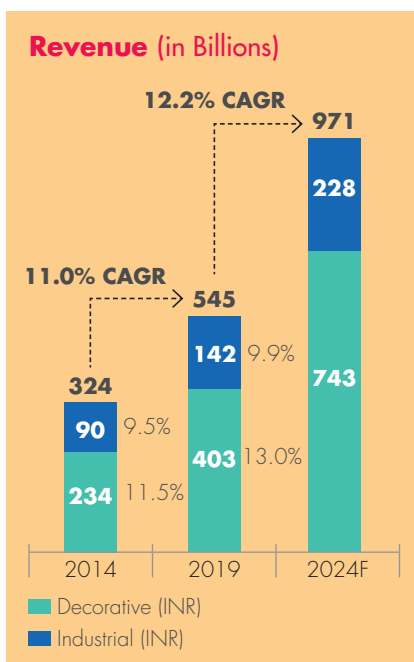
Notwithstanding the short-term challenges due to the pandemic, the medium and long-term growth drivers are in place. The Government's fiscal support package to support economic recovery, significantly higher allocation for infrastructural development, policy reforms implemented under the vision of 'Atmanirbhar Bharat', and Production-Linked Incentive (PLI) scheme will be fundamental in shaping the growth story of the Indian economy. Supported by strong fiscal and quasi-fiscal measures along with mass vaccination drives, India's growth is likely to rebound to 12.5% in FY 2021-22 and 6.9% in FY 2022-23.

(Source: IMF World Economic Outlook, April 2021)

Industry Review

Paint Industry Overview

The Indian paint industry is estimated at Rs. 545 billion and is poised to grow at a healthy rate and reach Rs. 971 billion by 2024. The sector largely comprises decorative and industrial paint segments with the decorative segment accounting for 74% of the total paint sales. The decorative paint segment comprising categories such as exterior wall paints, interior wall paints, wood finishes, enamels, undercoats such as primers, putties, etc. constitutes more than 74% of the paint market. Being Oligopolistic in nature, the domestic decorative paint market is largely dominated by organised players with 67% market share, while unorganised players account for 33% of the market share. Over the past few years, growth in decorative paint segment is being driven by rise in urbanisation, increasing popularity of branded paints, shortening of the re-painting cycle, massive infrastructure initiatives by the government, and growing demand from the rural market. Going forward, the decorative and industrial paint markets are expected to grow at a CAGR of 13% and 9.9%, respectively, over 2019-24.



(Source: Frost & Sullivan)

The industry has been witnessing a gradual shift in preference from traditional whitewash to high-quality paints like emulsions and enamel paints, providing ample opportunities to the Indian decorative paint industry. Towards this, companies are continuously making efforts to launch differentiated products to garner a higher market share. Increased focus on education, urbanisation, development of the rural market, and introduction of innovative products such as odour free and dust and water-resistant paints, are major drivers propelling the growth of the paint market in India.

(Source: Indian Paints Industry: Frost & Sullivan)

The COVID-19 pandemic and the subsequent economic slowdown caused huge disruption in the production and supply chain of the domestic paint and coatings industry, impacting the overall demand and sales of both decorative and industrial paints. However, the demand conditions started witnessing improvement with easing of the lockdown measures and recovery in economic activity. Majority of the growth of the paint industry is expected to come from renovation of old houses as demand from retail, automobile, hospitality, and construction sectors remains subdued. Moreover, the work from home scenario has led to homeowners becoming more cognisant of their surrounding aesthetics. Consumers have consciously begun to spend more on home décor, renovation, and decorative painting, which will boost demand for decorative paints.

Key Industry Trends

Growing demand from smaller towns and rural areas

For the past few years, the demand in smaller cities and towns has been growing at a faster pace than metro and Tier I cities. Rise in disposable income, incremental consumption expenditure, increasing awareness, development of rural markets and newer launches have fuelled the paint industry's growth. Paint companies have been proactively expanding their dealer base in Tier II, III and IV markets and rural areas to enhance presence.

Innovations, upgradation, and growth in premium segment

The industry has been witnessing shifts in upgradation/premiumisation over more than a decade including shift from: Distemper to interior emulsion; Mid-segment to top-end segment; Low-end to top-end segment; and Cement paint to exterior emulsions. While metros and Tier I and II cities have a relatively larger contribution to the top-end product market, smaller towns have been showing increased interest for premium products as well, on the back of growing consciousness of aesthetics and availability of resources to opt for better quality products. Another factor that influences consumers to opt for premium variants is inflexible cost of labour at all levels, making option of paint variant relatively indifferent.

Focus on growing bottom of the pyramid space

Leading industry players are seen focusing on increasing share across the bottom of the pyramid space, which is much broader in terms of volume as compared to the top and mid-segments. Further, companies reiterated that while the premium ranges continue to grow, the economy range (including emulsion, distemper, and putty) has been widening at a higher rate due to increased awareness among rural households to apply undercoat (putty and primer) before applying the paint (distempers), which has helped drive demand of low-end products.

Growth Drivers and Outlook

Reduction in repainting Cycle

In India, repainting accounts for approximately 78% of the demand in the decorative paint segment. However, over the last decade, the average repainting cycle has reduced substantially from an interval of 7-8 years to 4-5 years. Earlier, the major factor for repainting the house was the life of paint coat i.e., repainting was done on withering of the paint. This trend is seen evolving in recent years with consumers giving more

importance to aesthetics, change in looks and appearance of their premises at regular intervals even while the condition of the existing paint is good. Changes in consumer behavioural patterns have led to reduction in re-painting cycle, thereby boosting the growth of decorative paints.

Housing for All

The Pradhan Mantri Awas Yojana (PMAY), an initiative by the Government of India ensures affordable housing for all in the urban areas with a target to build 20 million affordable homes by March 31, 2022. The scheme involves two components: Pradhan Mantri Awas Yojana (Urban) (PMAY-U) for the urban poor and Pradhan Mantri Awas Yojana (Gramin) (PMAY-G) for the rural poor. Under the PMAY-U, a demand of 1.12 Cr houses has been validated. As of March 31, 2020, the total number of houses sanctioned under the scheme crossed 10 million. Rise in construction and renovation of homes indicate a positive impact on the paint industry and will lead to higher consumption.

Smart Cities

To sustain the rapid urbanisation in India, the government launched the Smart City Mission in 2015, with an intention to develop 109 smart cities over the next five years. Construction of smart cities would lead to larger number of commercial and residential complexes being created, thus driving demand for decorative paints.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

Another key growth driver include the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) programme launched by the government with the aim of providing basic civic amenities such as water supply, sewerage, urban transport, parks to improve the quality of life for all, especially to the poor. Under this project, the government has undertaken renovation and reconstruction of 500 cities.

Indigo Paints is the fifth largest decorative paint company and the fastest growing amongst the top five paint companies in India.

Rapid Urbanisation

Rise in urbanisation, supported by demand for real estate and improved infrastructure, has increased the application of paints. The United Nations (UN) estimates that 40% of the population of India will reside in urban areas by 2030. Increasing urbanisation has led to rising income levels, thereby driving the demand for houses with affordable amenities. All these factors augur well for the decorative paint industry.

Real Estate Sector Growth

The residential real estate sector across the top seven cities in India faced severe challenges in the year 2020 owing to the impact of the COVID-19 pandemic. However, the real estate sector in India is expected to reach USD 1 trillion by 2030. By 2025, it has been estimated to contribute 13% to India's GDP. Emergence of nuclear families, rapid urbanisation, and rising household income are likely to remain the key drivers for growth of real estate.

(Source: Indian Paints Industry: Frost & Sullivan)

Company Overview

Established in the year 2000, Indigo Paints is the fifth largest decorative paint company and the fastest growing amongst the top five paint companies in India. It manufactures a complete range of decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties, and cement paints. Over the years, the Company has introduced differentiated products to create a distinct market in the paint industry, established strong brand equity for primary consumer brand of 'Indigo', created an extensive distribution network across 27 States and 7 Union Territories and installed state-of-the-art tinting machines across its dealer network. Indigo Paints was the first company to launch certain differentiated and unique paint products as per customer requirements, for which it enjoys the first mover advantage in the industry.

The Company enjoys a significant presence in the Tier III and IV markets, where brand penetration had been easier and the dealers had a greater ability to influence customers' purchase decisions. These markets enabled the Company to grow multifold and expand its brand and presence in the Indian market. Seeing immense opportunities, the Company is now exploring opportunities in Metro and Tier 1 cities by expanding distribution networks. Further, consistent branding and marketing initiatives has enabled the Company to gain significant brand visibility and high customer recall.

The manufacturing infrastructure of the Company comprises three advanced and highly equipped facilities situated at Jodhpur (Rajasthan), Kochi (Kerala), and Pudukkottai (Tamil Nadu). The Jodhpur facility comprises of two units. While the Company manufactures certain types of liquid paints including emulsion paints, distempers and primers in Unit I, the Unit II established in December 2019 is primarily used for manufacturing powder-based paints like cement paints and putties. The manufacturing units of the Company are located in close proximity to raw material sources, thereby lowering the inward freight and raw material costs.

IPO update

Indigo Paints raised Rs. 1,170 Cr through maiden public issue which was subscribed 117 times during January 20-22, 2021. The issue consisted of a fresh issue of Rs. ~300 Cr and an offer for sale of Rs. ~870 Cr by promoters and investors. The scrip got listed on February 2, 2021 on both BSE and National Stock Exchange (NSE) with a bumper premium of 75% over its issue price.



The Company proposes to utilise the net proceeds towards the following objectives:

- Funding capital expenditure for expansion of the existing manufacturing facility at Pudukkottai, Tamil Nadu by setting-up an additional unit adjacent to the existing facility;
- Purchase of tinting machines and gyroshakers;
- Repayment/prepayment of all or certain portion of the borrowings; and
- General corporate purposes

(Rs. Lakhs)

Particulars	Revised proceeds [#]	Utilised up to March 31, 2021 [#]	Un-utilised as on March 31, 2021
Funding capital expenditure for the proposed expansion	15,000.00	125.82	14,874.18
Purchase of tinting machines and gyroshakers	5,000.00	-	5,000.00
Repayment/prepayment of certain borrowings of Company	2,500.00	2,500.00	-
General corporate purposes [#]	6,211.21	600.00	5,611.21
Total	28,711.21	3,225.82	25,485.39

[#] Net of IPO Expense

Manufacturing Facility	Emulsion Paints	Enamels	Wood Coatings	Distempers	Primer	Putties	Cement Paints	Other Products
Jodhpur, Rajasthan								
Unit I	✓	-	-	✓	✓	-	-	✓
Unit II	-	-	-	-	-	✓	✓	-
Kochi, Kerala	✓	-	-	-	✓	-	-	✓
Pudukkottai, Tamil Nadu	-	✓	✓	-	✓	-	-	✓

Operational Review

Sales and Product Mix

During FY 2020-21, all the products have grown, both in value and volume terms. The Company posted double digit value growth in all the product categories, and the value growth has been higher than the volume growth across categories.

Value Growth			
Product Category	2018-19	2019-20	2020-21
Cement Paints + Putty	25.40%	26.72%	23.22%
Emulsions	39.78%	20.15%	11.65%
Enamels + Wood Coatings	23.69%	2.39%	19.57%
Primers + Distempers + Others	39.77%	13.25%	26.65%

Volume Growth			
Product Category	2018-19	2019-20	2020-21
Cement Paints + Putty	26.70%	26.48%	19.63%
Emulsions	35.04%	16.00%	8.72%
Enamels + Wood Coatings	17.91%	0.23%	15.41%
Primers + Distempers + Others	28.46%	8.58%	20.35%



While the overall revenue from operations have grown by 15.77% in FY 2020-21, the higher margin differentiated products have grown at a faster pace and now constitutes 29.53% of the revenue from operations, compared to 28.62% in the preceding year.

Product Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Sales from Differentiated Products	26.68%	27.58%	28.62%	29.53%

Distribution Network

During FY 2020-21, Indigo Paints opened new depots at Jammu, Dehradun, Purnea, Silchar, Sambalpur, Bhopal, Aurangabad, and Kadappa, taking the total number of depots to 44. Through a network of 3 manufacturing locations and 44 depots, Indigo Paints distributes decorative paints to 27 States and 7 Union Territories in the country. In line with the strategy of expanding the dealer network and adding to the population of tinting machines, in FY 2020-21, despite the COVID-19 pandemic, the Company added over 2,000 active dealers and 1,200 tinting machines to the growing network and as on March 31, 2021, had 13,214 active dealers and 5,472 tinting machines.

Product Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
No. of Depots	33	33	36	44
Active Dealers	9,210	10,246	11,230	13,214
Tinting Machines	1,808	3,143	4,296	5,472

Expense Metrics				
Product Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Discount as a % of Revenue from Operations	11.38%	11.45%	11.39%	12.64%
Employee Costs as % of Net Revenue	7.54%	6.79%	6.72%	6.68%
Advertising and Sales Promotion as a % of Revenue from Operations	11.22%	12.63%	12.65%	10.65%
Material Costs as a % of Revenue from Operations	59.20%	55.73%	51.53%	52.05%
Freight & Handling as a % of Revenue from Operations	11.03%	10.36%	10.53%	9.93%
Overhead Costs - Other Expense (excl. Freight & Handling, A&P)	4.59%	4.38%	4.01%	3.74%

- The discounts offered by the Company predominantly includes cash discounts, scheme discounts, annual turnover rebates, special discounts etc. These discounts form a major cost to the Company and is netted off from the gross revenue. In FY 2020-21, discounts as a percentage of revenue from operations was higher at 12.64% compared to 11.39% in the preceding year predominantly due to the additional discounts offered to the dealers to enhance collections and some special scheme discounts offered to market selected products during the course of the year.
- The advertising and sales promotion expense consists of media spends, television commercial production charges, business promotion charges etc. In line with the strategy of the Company to reduce the advertising and sales promotion expense as a percentage of revenue from operations, the advertising and sales promotion as a percentage of the revenue from operation decreased by 200 bps from 12.65% in FY 2019-20 to 10.65% in FY 2020-21. The major constituent of these expenses – Media advertising spends of Company increased from Rs. 6,151.52 Lakhs (FY 2019-20) to Rs. 6,334.71 Lakhs (FY 2020-21), despite zero advertising from Apr-July 2020. The Company had advertised in the second half of FY 2020-21, including during the IPL. Indigo Paints has

The revenue from operations increased by 15.77%, whereas the EBITDA and PAT grew by 34.65% and 48.18% respectively

also launched new advertisement campaigns in March 2021 to promote the non-differentiated products along with the differentiated products.

- The Company's manufacturing facilities are strategically located – closer to the source of the raw materials, which results in lower procurement costs compared to the industry. However, this results in increased freight costs when the goods are transported from factories to the depots (Primary Freight).
- The Employee Cost as a percentage of revenue from operations was flat at 6.68% (FY 2020-21), despite giving a hike to the employees in the pandemic affected year.
- The overhead expense (excluding material cost, employee benefits, advertisement and sales promotion, freight) continued to decline further and was at 3.74% of the revenue from operations. The overhead cost as percentage of revenue was contained and probably is the lowest in the industry.

Financial Review

The operations of the Company were impacted in FY 2019-20 due to the disruptions caused by COVID-19 and consequent lockdowns and restrictions imposed in India. Revenue from operations increased by 15.77% to Rs. 72,332 Lakhs in FY 2020-21 as

against Rs. 62,479 Lakhs in FY 2019-20, primarily due to the increase in revenue from sale of goods despite COVID-19 and the subsequent lockdowns imposed in the first quarter of FY 2020-21. The EBITDA increased to Rs. 12,252 Lakhs from Rs. 9,099 Lakhs, registering a growth of 34.65%. The increase in EBITDA was contributed

by both the growth in the revenue from operations as well as expansion in the operating margin. The Operating margin expanded from 14.56% in FY 2019-20 to 16.94% in FY 2020-21. Profit After Tax (PAT) for the year stood at Rs. 7,085 Lakhs compared to Rs. 4,781 Lakhs in the preceding year, marking a growth of 48.18%, whereas the Net Profit Margin

expanded to 9.80% in FY 2020-21 compared to 7.65% in FY 2019-20. For FY 2020-21, while the revenue from operations increased by 15.77%, the EBITDA and PAT grew by 34.65% and 48.18% respectively. This was achieved by robust sales, prudent cost optimisation measures and benefits derived from the economies of scale.

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Revenue from Operations (Rs. Lakhs)	40,147.60	53,562.90	62,479.20	72,332.47
Gross Margins (%)	40.80%	44.27%	48.47%	47.95%
EBITDA (Rs. Lakhs)	2,580.20	5,409.20	9,098.80	12,251.61
EBITDA Margin (%)	6.43%	10.10%	14.56%	16.94%
Profit for the Year (Rs. Lakhs)	1,286.20	2,687.00	4,781.50	7,085.01
PAT Margin (%)	3.20%	5.02%	7.65%	9.80%
Capital Employed (Rs. Lakhs)	17,278.90	22,225.50	26,549.70	58,604.00
ROCE (%)	9.89%	17.26%	27.50%	17.36%
RoNW	10.09%	18.22%	24.26%	12.57%
Debt Equity Ratio	28.11%	40.77%	25.41%	0.00%
Debtors Turnover	4.15	5.16	5.98	5.97
Inventory Turnover	4.19	4.31	4.19	3.98
Interest Coverage Ratio	4.06	8.31	13.05	26.68
Current Ratio	1.15	1.12	1.14	2.37



• Other Income, Cash and Investments

- The other income increased from Rs. 164.42 Lakhs in FY 2019-20 to Rs. 359.37 Lakhs in FY 2020-21, primarily due to the increase in the interest income. The interest earned from the temporary investment of the IPO proceeds also contributed to the increase in the interest income. As on March 31, 2021, including the unutilised proceeds from the IPO, the Company had Rs. 27,340.17 Lakhs in terms of cash and cash equivalents, Bank balances, short-term and long-term investment instruments.

- **Raw Materials**

- The industry witnessed an unprecedented spike in the price of the raw materials in the second half of FY 2020-21 which had started impacting the gross margins. However, the Company proactively passed on the increase to the customers in a staggered manner and was largely able to minimise the impact on the gross margins to 50 bps.

- **D&A, Property Plant and Equipment**

- The D&A expense increased to Rs. 2,439 Lakhs in FY 2020-21 from Rs. 1,961 Lakhs in FY 2019-20 primarily due to higher depreciation incurred following the addition in plant and machinery worth Rs. 2,997 Lakhs for regular upgradation in the manufacturing facilities and for the doubling of putty production capacity at the Jodhpur facility. In FY 2020-21, the Company had purchased the land for the proposed factory at Pudukkottai (Tamil Nadu) and also the head office at Pune.

- **Finance Cost & Borrowing**

- The finance cost has significantly reduced from Rs. 559 Lakhs (FY 2019-20) to Rs. 381 Lakhs (FY 2020-21), primarily due to the reduction in the interest effected by the debt reduction. As per the objects of the IPO, Rs. 2,500 Lakhs has been utilised for the repayment/prepayment of debt. The non-current borrowings which was Rs. 2,472 Lakhs in the year before, was completely repaid and as on March 31, 2021, both the short-term and long-term borrowings of the Company are Nil.

- **Return on Net Worth and Return on Capital Employed**

- Though the profit has significantly increased over the last year, the



return ratios are suppressed due to the infusion of equity capital subsequent to the IPO, which were largely unutilised as on March 31, 2021.

Human Resources

Human Capital is pivotal for the consistent growth and success of the Company. A highly qualified and competent team of professionals form the backbone of the Company. The HR policy of the Company ensures creation of a safe and inclusive environment wherein employees can deliver their best outcomes. The Company conducts continuous learning and development programmes to hone the skills and capabilities of employees and keep up their morale. As on March 31, 2021, the total employee strength of the Company was 908. In the purview of COVID-19, the Company immediately adopted strong measures to safeguard the safety and health of its employees. Work from Home, social distancing norms, regular sanitisation of plants and offices and enhanced safety protocols were among the significant measures enforced.

Information Technology

The Company believes that an appropriate information technology infrastructure is important in order to support the growth of the business. Its facilities are connected to a central IT network that facilitates monitoring of operations and management of supply chain. The Company's robust IT SAP infrastructure enables it to track procurement of raw materials, sale of finished goods, payments to vendors and suppliers, and receivables from dealers.

Risk Management

The Company understands that every business involves risks. These risks are constantly evolving and changing, in terms of their impact and the probability of occurrence. The Company constantly scans the external environment to identify the emerging risks and also assesses

them for their impact on the business objectives. The Company is ably guided by the Risk Management Committee of the Board, which reviews the enterprise-wide risk management framework of the Company. Key risks include Competition Risk, Safety and Sustainability Risk, Compliance Risk, Information Security Risk, Raw Material Availability Risk, and Pandemic Risk. The Company is committed to effective management and mitigation of these risks.

Growth Strategy & Outlook

Continue to focus on developing differentiated products to increase market share

The Company continues to focus on enhancing its portfolio of differentiated products as these products have widened the end-user base and typically have a higher margin profile than other decorative paint products. Particularly, it seeks to identify potential opportunities in the market, and intends to develop category-creator products to cater to

the distinct requirements in the Indian decorative paint industry. The Company also aims to innovate and develop products with distinguished properties by undertaking research, attending trade fairs, and keeping abreast with industry trends and practices.

Strengthen brand positioning to consolidate position as a leading paint company in India

Through its consistent brand building efforts, the Company has achieved a distinct brand recall for its single brand "INDIGO", and developed a product portfolio with variants such as "Platinum Series", "Gold Series", "Silver Series", and "Bronze Series". Key initiatives in the past few years include engaging a brand ambassador, Mr. Mahendra Singh Dhoni, a renowned sportsperson with a pan-India appeal across demographics. Having attained near parity with the leading players in terms of absolute media advertising spends, the Company now intends to marginally increase its future media advertising expenses, and

leverage current cost structure to achieve growth and drive profitability, while strengthening brand recall.

Deepen penetration in existing markets and expand presence in select new territories by populating tinting machines

Another important focus area is to increase penetration in the existing markets and enter new territories by replicating the same proposition that has helped the Company grow in the past. There is significant untapped opportunity in Metros and larger cities that can be capitalised by expanding the distribution network. As on March 31, 2021, the Company had an active network of 13,214 dealers and intends to engage with more dealers to strengthen its existing sales infrastructure and network. Further, the Company aims to increase presence in North India, particularly in the states of Punjab and Uttarakhand, and the union territory of Jammu & Kashmir, where it has recently commenced distributing its products.



Successful expansion of distribution network depends on recognition of brand among potential dealer-partners and acceptance of tinting machines at such new locations. Towards this, the Company is in the process of carrying out branding activities in the targeted markets and establishing depots at strategic locations for more effective distribution of tinting machines. As on March 31, 2021, the Company had a total of 5,472 tinting machines across its network of dealers and continues to seek opportunities in the targeted markets to improve this number.

Expand manufacturing capacities

The Company endeavours to expand its manufacturing capacities to boost growth and consolidate its pan-India presence. Recognising the rising demand and consumption of water-based paints, the Company intends to utilise a portion of the net IPO proceeds towards expansion of its manufacturing facilities at Pudukkottai in Tamil Nadu to include manufacturing of water-based paints. Post completion of the first phase of the proposed expansion plans, this unit will have an estimated installed capacity of 50,000 KLPA and is expected to

be operational by FY 2022-23. The Company also seeks to undertake capacity expansion plans at its Jodhpur Facility.

Internal Control System

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Appropriate internal control policies and procedures have been set up to provide reasonable assurance on the effectiveness and efficiency of operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of frauds and errors and safeguarding of assets. Adequacy and effectiveness of these internal controls are periodically tested by internal auditors based on their risk-based audit plan. The internal audit plan is reviewed and approved by the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal financial controls and the implementation of the audit recommendations. Significant audit observations and actions are reported to the Audit Committee and corrective measures are taken thereafter.

...setting up a new manufacturing facility at Pudukkottai in Tamil Nadu to manufacture water-based paints, with a capacity of 50,000 KLPA



Board's Report

Dear Members,

Your Directors are pleased to present the 21st Annual Report on the business and operations of Indigo Paints Limited ("the Company/your Company") together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

FINANCIALS

The key highlights of the financial results of your Company for the financial year ended March 31, 2021 and comparison with the previous financial year ended March 31, 2020 are summarised below:

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	72,332.47	62,479.20
Less: Expenses	60,080.86	53,380.50
EBITDA	12,251.61	9,098.70
Less:		
Finance Cost	381.31	559.45
Depreciation	2,438.95	1,960.99
Add:		
Other income	359.37	164.42
Profit before Tax	9,790.72	6,742.68
Less: Tax expenses (including deferred Tax)	2,705.71	1,961.20
Profit after Tax	7,085.01	4,781.48
Add: Total Other Comprehensive Income	(10.87)	(10.21)
Total Comprehensive Income for the year	7,074.14	4,771.27

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

- Revenue from Operations of the Company stood at Rs. 72,332.47 Lakhs as against Rs. 62,479.20 Lakhs for the previous year, registering a growth of 15.77 % in the revenue.
- Sales volume of the Company stood at Rs. 81,349.69 Lakhs as against Rs. 68,890.87 Lakhs for the previous year, registering a growth of 18.08% in the Sales Volume.
- EBITDA of the Company stood at Rs. 12,251.61 Lakhs as against Rs. 9,098.70 Lakhs for the previous year, registering a growth of 34.65% in EBITDA.
- Profit after Tax(PAT) of the Company stood at Rs.7,085.01 Lakhs as against Rs.4,781.48 Lakhs for the previous year, registering a growth of 48.18% in PAT.

IMPACT OF COVID-19 ON BUSINESS:

The World Health Organization declared the novel coronavirus disease ("COVID-19") outbreak, a Public Health Emergency of International Concern on January 30, 2020, and a pandemic

on March 11, 2020. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown on March 24, 2020.

On account of the nationwide lockdown, operations at all of our manufacturing facilities were suspended. This resulted in a decrease in sale of our products particularly during the months of March 2020 and April 2020 on account of government restrictions imposed and additionally on account of cost control measures implemented by our dealers and end-customers.

We restarted manufacturing operations at all of our manufacturing facilities with the progressive relaxation of the lockdown in May 2020. We have implemented additional safety measures, such as, regular temperature checks, regular sanitization of the premises, compulsory use of masks and hand sanitization, and staggered workforce.

DIVIDEND

Keeping in view the future expansion plans, your Board of Directors do not recommend any dividend for Financial Year 2020-2021.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has adopted the Dividend Distribution Policy on October 20, 2020, setting out the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend which is available on the Company's website at www.indigopaints.com/investors

RESERVES

Your Company proposes to transfer an amount of Rs. 7,085.01 Lakhs to the Reserves for FY 2020-21.

CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

During the year under review, the Members at their Extra Ordinary General Meeting dated June 01, 2020 had approved the resolution for conversion of Private Limited Company to Public Limited Company and thereafter, on approval from the Central Government on August 20, 2020, a fresh certificate of incorporation was issued by the Registrar of Companies, Pune.

INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES

The Equity Shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) with effect from February 02, 2021, pursuant to Initial Public Offering ("IPO") of the Company by way of a Fresh Issue and an Offer for Sale.

Your Directors are pleased to inform that, your Company completed the IPO of its equity shares of 4,75,68,997 Equity shares of Rs. 10/- each comprising of a Fresh Issue of 20,13,422 Equity shares of Rs. 10/- each and Offer for Sale (OFS) of 58,40,000 Equity shares of Rs. 10/- each by Mr. Hemant Kamala Jalan, one of the promoter of the Company, Sequoia Capital India Investments IV and SCI Investments V.

As per the objects of the offer, the net proceeds of the fresh issue were to be utilised towards:-

- Funding capital expenditure for expansion of the existing manufacturing facility at Pudukkottai, Tamil Nadu by setting-up an additional unit adjacent to the existing facility.
- Purchase of tinting machines and gyroshakers;
- Repayment/prepayment of all or certain of our borrowings; and
- General corporate purposes.

Pursuant to listing of equity shares on the stock exchanges, your Company enjoys the benefit of enhanced brand equity and creation of public market for the equity shares of the Company.

Post the issue, 54.00% of the Equity Share Capital of your Company is held by the Promoter and Promoter Group.

UTILISATION OF IPO PROCEEDS

Your Company has appointed ICICI Bank Limited as the Monitoring agency in terms of regulation 41(2) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended, to monitor the utilization of IPO proceeds and Company has obtained a monitoring report from the Monitoring agency and filed the same with both exchanges where equity shares of the Company are listed. The proceeds realized by the Company from the IPO will be utilized as per objects of the offer as disclosed in the Prospectus of the Company.

Out of the IPO proceeds of Rs. 28,711.21 Lakhs, your Company has utilized the funds as per the below mentioned table:

Sr. No	Item Head	Amount to be utilized	Amount utilized as on March 31, 2021	Total unutilized as on March 31, 2021
1	Funding capital expenditure for the Proposed Expansion	15,000.00	125.82	14,874.18
2	Purchase of tinting machines and gyro shakers	5,000.00	-	5,000.00
3	Repayment/prepayment of certain borrowings of our Company	2,500.00	2,500.00	-
4	General corporate purposes*	6,211.21	600.00	5,611.21
Total		28,711.21	3,225.82	25,485.39

*net of IPO related expenses

There has been no deviation in the utilization of the IPO proceeds of the Company. The Monitoring Agency Report are available at the Company's website at www.indigopaints.com/investors

Further, the details of Utilisation of Net IPO Proceeds for the year ended March 31, 2021 has been provided in notes to the Accounts of the Financials of the Company.

SHARE CAPITAL

AUTHORIZED SHARE CAPITAL

The Members of the Company, in Extra-Ordinary General Meeting dated October 26, 2020 had approved the increase in Authorized Share Capital of the Company from Rs. 63,31,10,000/- (Rupees Sixty-three crores Thirty-one Lakhs and Ten thousand only) to Rs. 70,00,00,000/- (Rupees Seventy Crores only) .

RECLASSIFICATION OF SHARE CAPITAL

1. The Members at their Extra Ordinary General Meeting dated October 26, 2020 had approved the resolution for :

Reclassification of Authorized and Paid-Up Class A1 and Class A2 Equity Shares issued by the Company

- a) Re-classification of 3,250 (Three Thousand Two Hundred and Fifty) issued and paid-up class A1 equity shares bearing face value of Rs. 10/- each, such class of equity shares having differential voting rights as set out in Schedule IV to the SHA to 3,250 (Three Thousand Two Hundred and Fifty) issued and paid-up ordinary equity shares bearing face value of Rs. 10/- each, of the Company; and
- b) Re-classification of 3,250 (Three Thousand Two Hundred and Fifty) issued and paid-up class A2 equity shares bearing face value of Rs. 10/- each, such class of equity shares having differential voting rights as set out in Schedule IV to the SHA to 3,250 (Three Thousand Two Hundred Fifty) issued and paid-up ordinary equity shares bearing face value of Rs. 10/- each, of the Company.

2. The Members at their Extra Ordinary General Meeting dated December 22, 2020 had approved the resolution for :

a) Reclassification of Authorized Share Capital:

- (i) Re-classification of 69,904 Series A1 compulsorily convertible cumulative preference shares of Rs.100/- each, 46,586 Series A2 compulsorily convertible cumulative preference shares Rs.100/- each, 1,30,865 Series B compulsorily convertible cumulative preference shares of Rs.100/- each and 1,58,30,950 Series C compulsorily convertible cumulative preference shares of Rs. 10/- each aggregating to Rs.18,30,45,000/- into 69,904, 46,586, 1,30,865, 1,58,30,950 equity shares, respectively, of Rs. 10/- each aggregating to Rs. 16,07,83,050/-
- (ii) Reclassification of 20,00,000 preference shares of Rs.10 each aggregating to Rs.2,00,00,000/- into

20,00,000 equity shares of Rs. 10 each aggregating to Rs.2,00,00,000/-.

- (iii) Creation of additional 22,26,195 equity shares of Rs.10 each aggregating to Rs.2,22,61,950/-.

PAID UP SHARE CAPITAL

a) Conversion of Compulsorily Convertible Cumulative Preference Shares ("CCCPS") to equity shares of the Company

The Members at their Extra Ordinary General Meeting dated December 22, 2020 had approved the resolution for:

The conversion of preference shares of the Company, including 69,904 Series A1 compulsorily convertible cumulative preference shares of Rs. 100/- each, 46,586 Series A2 compulsorily convertible cumulative preference shares of Rs. 100/- each, 1,30,865 Series B compulsorily convertible cumulative preference shares of Rs. 100/- each and 1,58,30,720 Series C compulsorily convertible cumulative preference shares of Rs. 10/- each into 1,60,78,075 fully paid equity shares of face value of Rs. 10/- each, of the Company ("Equity Shares").

b) Exercise of Employee Stock Options

During the year under review, the Company had allotted 4,55,325 equity shares of 10/- each on January 05, 2021 pursuant to the exercise of the stock options under Indigo Paints Private Limited-Employee Stock Options Scheme -2014 to the Option holders and thereby, the paid up share capital of the Company had increased to Rs. 45,55,55,750/- (Rupees Forty-five crore Fifty-five Lakhs Fifty-five thousand Seven hundred and Fifty Only)

c) Pursuant to the Initial Public Offering

Pursuant to the Initial Public Offering, the Company had allotted 20,13,422 Equity shares of Rs. 10/- each on January 29, 2021.

Accordingly, the total paid-up share capital of the Company as on the date of this Report is Rs. 47,56,89,970/- divided into 4,75,68,997 equity shares of Rs. 10/- each.

The applicable disclosures as stipulated under SEBI (Share-Based Employee Benefits) Regulations, 2014 are provided in Annexure A to this Report.

MEMORANDUM OF ASSOCIATION (MOA)

- a) In order to convert the Company from Private Limited to Public Limited entity, the Members at their Extra-Ordinary General Meeting dated June 01, 2020 had approved the alteration in Memorandum of Association of the Company.

- b) In order to increase the Authorized share capital of the Company, the Members at their Extra-Ordinary General Meeting dated October 26, 2020 had approved the alteration in Memorandum of Association of the Company.
- c) In order to reclassify the Authorized share capital of the Company, the Members at their Extra-Ordinary General Meeting dated December 22, 2020 had approved the alteration in Memorandum of Association of the Company

ALTERATION OF ARTICLES OF ASSOCIATION (AOA)

- a) In order to convert the Company from Private Limited to Public Limited entity, the Members at their Extra-Ordinary General Meeting dated June 01, 2020 had approved the alteration in Articles of Association of the Company.
- b) In order to undertake the Initial Public Offering, the Company was required to adopt a new set of Articles of Association. The Members at their Extra-Ordinary General Meeting dated October 26, 2020 had approved for the adoption of new set of Articles of Association.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The Registered Office address of the Company was changed from 103, Montreal Business Centre, Behind Mauli Petrol Pump, Baner Road, Pune- 411045 to Indigo Towers, Street 5, Pallod Farm-2, Baner Road, Pune-411045 w.e.f. October 20, 2020.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, your Company had two Employee Stock Option Schemes in force viz. Indigo Paints Employee Stock Option Scheme, 2014 ("ESOS 2014") and Indigo Paints Employee Stock Option Scheme, 2019 ("ESOS 2019").

The Members of the Company, in the Extra-Ordinary General Meeting dated December 06, 2014 had approved the ESOS 2014. Further, the Company intends not to make any fresh grants from the ESOS 2014.

The Members of the Company, in the Extra-Ordinary General Meeting dated March 28, 2019 had approved the ESOS 2019 that was amended on October 26, 2020, owing to the scheme being in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as

amended, read with the SEBI Circular no. CIR/CFD/POLICY/CELL/2/2015 dated June 16, 2015 ("SEBI SBEB Regulations").

As per Rule 12 of the "Companies (Share Capital and Debenture) Rules, 2014" the declaration is as follows:

Sr No.	Particulars	ESOS 2014
1	Number of Options granted	0
2	Exercise price or Pricing formula	Rs. 66.15 and Rs. 106.15
3	Number of Options vested and exercisable	455,325
4	Number of Options exercised	455,325
5	Total number of shares arising out of exercise of Options	455,325
6	Number of Options lapsed (includes forfeited and lapsed options)	-
7	Variation in the terms of the Options	NIL
8	Money realized by exercise of Options (Rs.)	4,08,59,500
9	Total number of Options in force	-

Sr No.	Particulars	ESOS 2019
1	Number of Options granted	21,250
2	Exercise price or Pricing formula	Rs. 10/-
3	Number of Options vested and exercisable	-
4	Number of Options exercised	-
5	Total number of shares arising out of exercise of Options	-
6	Number of Options lapsed (includes forfeited and lapsed options)	500
7	Variation in the terms of the Options	The vesting period was revised to 48 months and exercise period was mentioned as 36 months.
8	Money realized by exercise of Options (Rs.)	-
9	Total number of Options in force	48,500



10 Employee wise details of options granted to -

A Senior Management Personnel		Name	Options granted
		Mr. Srihari Santhakumar	1,500
B Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year		Name	Options granted
		Mr. Nikhil John	1,000
		Mr. Swapnil Singhasane	1,000
		Mr. Ajay Dubey	1,000
C Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant		Name	Options granted
		NIL	NIL

The applicable disclosures as stipulated under SEBI (Share-Based Employee Benefits) Regulations, 2014 are provided in Annexure A to this Report.

CREDIT RATING

The details of credit ratings obtained from Credit Analysis and Research Limited (CARE) are as under:

Ratings

Facilities	Amount (Rs. Crore)	Ratings	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BBB+; Stable / CARE A3+ (Triple B Plus; Outlook: Stable / A Three Plus) and Withdrawn
Long Term Bank Facilities	-	-	Reaffirmed at CARE BBB+; Stable (Triple B Plus; Outlook: Stable) and Withdrawn
Total Facilities	--	--	

On basis of intimation of 'No Objection Letter' issued by HDFC Bank Limited on full repayment of the borrowings by the Company, to Credit Analysis and Research Limited (CARE), CARE had withdrawn the ratings assigned to the bank facilities of the Company w.e.f. March 30, 2021. The Company had voluntarily requested for such withdrawal since the Company had fully repaid all its borrowings.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, the Company had not transferred any amount or Shares to the Investor Education and Protection Fund.

HUMAN RESOURCES & EMPLOYEE RELATIONS

During the year under review, the Human Resources department of your Company focused on effective execution of plans through its qualified workforce. Understanding and responding to the trends shaping the future of work enabled us to create the best possible environment for our workforce.

Your Company had taken various initiatives for its employees during the COVID-19 pandemic. Some of the undertaken initiatives include ensuring safety and wellbeing of the employees, implementing work from home for staff based in office, restrictions on travel, provision of protective equipment for factory workers and changes in working practices to facilitate social distancing. The safety of those who continue to operate in our workplaces as well as the mental and physical wellbeing of employees continues to be of paramount importance.

Employee Performance & Engagement

Reflecting the ambitions and needs of our employees, we have adopted a holistic approach to performance management, which includes providing regular meaningful feedback and recognition, while holding people accountable and promoting continuous development. This approach is directly linked to our compensation framework and promotion process. In addition, to ensure our employees' financial, social, mental and physical wellbeing throughout all stages of their lives while employed at the Company, we offer a wide range of benefits.

The Company has in place an Employee Stock Option Policy to retain and attract skilled and experienced personnel. Required talent was made available by Human Resource Department to various functions on time.

By using internal platforms and survey tools, we can gauge our employees' perception of their work environment and with our Total Performance approach, we have been providing a framework for regular conversations between managers and employees. Your Company undertakes an open dialogue and feedback culture across the entire organization in order to promote employee and management relationship.

Employee Welfare and Policies

It is crucial for us to understand what motivates and engages our employees and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members, conduct surveys and offer a framework which ensures they feel comfortable to speak up, raise concerns and are empowered to initiate improvements.

Your Company has a comprehensive Human Resource (HR) policy framework, which includes maternity leave and flexible timings that help employees establish a work-life balance. There are several programmes conducted at the group level.

Diversity and Inclusion at workplace helps nurture innovation, by leveraging the variety of opinions and perspectives coming from employees with diverse age, gender and ethnicity.

Building Talent

A structured recruitment process has helped your Company attract the right talent at all levels.

Entry level candidates now respond to different approaches, for example social media, campus engagement, job boards as well as look for an authentic Employee Value Proposition. We have adopted a number of these approaches. At the same time, in line with our focus on internal mobility, we have continued our efforts to retain expertise and experience by providing attractive career opportunities. Internal mobility also helps us turn necessary restructuring into an opportunity.

Employee and Leadership Development

Your Company is committed to helping its employees develop the knowledge, skills and abilities needed for continued success, and encourages professional development throughout each employee's career. Through a well-structured training process, the Company conducts training for the workforce which in turn helps the workforce to improve their efficiencies and capabilities.

To ensure we develop future leaders in the Company, we provide a number of cross divisional programs to foster management and leadership skills. The purpose is to equip our people with the necessary qualities to lead the organization through change, develop their teams, manage performance and ensure business success in line with the Company's strategy and our values and beliefs.

Employee Relations & Compliance

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. An Internal Complaints Committee ('ICC') is in place for all works and offices of the Company to redress complaints received regarding sexual harassment.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination and Remuneration Committee of your Company. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance Section of the Annual Report.

Your Company's Board comprises of the following Directors and Key Managerial Personnel:

Sr. No.	Name of the Director & KMP	Designation
1.	Mr. Hemant Kamala Jalan	Chairman and Managing Director
2.	Ms. Anita Hemant Jalan	Executive Director
3.	Mr. Narayanankutty Kottiedath Venugopal	Executive Director
4.	Mr. Ravi Nigam	Independent Director
5.	Mr. Sunil Badriprasad Goyal	Independent Director
6.	Mr. Praveen Kumar Tripathi	Independent Director
7.	Ms. Nupur Garg	Independent Director
8.	Ms. Sakshi Vijay Chopra	Non-Executive Nominee Director
9.	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Non-Executive Alternate Director
10.	Mr. Sujoy Sudipta Bose	Company Secretary & Compliance Officer
11.	Mr. Chetan Bhalchandra Humane	Chief Financial Officer

The constitution of the Board of the Company is in accordance with Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details relating to directors and key managerial personnel who were appointed or have resigned are reported as under:

- Mr. Sunil Badriprasad Goyal (DIN: 00503570), Ms. Nupur Garg (DIN: 03414074) and Mr. Praveen Kumar Ramniranjan Tripathi (DIN: 03154381) were appointed as an Independent Director of the Company for a term up to five Consecutive years in the Extra Ordinary General Meeting held on June 01, 2020, who in the opinion of the Board possessed integrity, relevant expertise and experience.
- Ms. Anita Jalan (DIN : 00085411) and Mr. Narayanankutty Kottiedath Venugopal (DIN: 00296465) were appointed as the Executive Director of the Company for a term up to five Consecutive years in the Extra Ordinary General Meeting held on June 01, 2020.
- Mr. Hemant Kamala Jalan (DIN: 00080942) was appointed as a Managing Director of the Company in the Extra Ordinary General Meeting held on October 07, 2020 (for the period March, 2018 to March, 2023) upon the conversion of the Company into a public limited entity, pursuant to provisions of sections 196, 197, 203 read with Schedule V of the Companies Act, 2013.

- The Board of Directors at its meeting held on December 19, 2020 appointed Mr. Hemant Kamala Jalan as the Chairman of the Board for a period of five years.
- Mr. Hemant Kamala Jalan (DIN: 00080942), Chairman and Managing Director, Mr. Chetan Bhalchandra Humane, Chief Financial Officer, and Mr. Sujoy Sudipta Bose, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Further, in terms of the recently introduced regulatory requirements, the name of every Independent Director is to be added in the online database of Independent Directors maintained by Indian Institute of Corporate Affairs, Manesar ("IICA"). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose.

DIRECTORS RETIRING BY ROTATION

Ms. Anita Hemant Jalan, Executive Director, is liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting ("AGM") of your Company, has offered herself for re-appointment. Her details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of your Company.

An appropriate resolution seeking your approval to her re-appointment as Director is included in the Notice.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD AND COMMITTEE MEETINGS

Your Board of Directors met seven (7) times during the financial year 2020-2021. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board of Directors of your Company have formed various Committees, as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as a part of the best corporate governance practices, the terms of reference and the constitution of these

Committees is in compliance with the applicable laws and to ensure focused attention on business and for better governance and accountability. The constituted Committees are as below:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee;
- Corporate Social Responsibility Committee;
- Risk Management Committee;
- IPO Committee;
- Internal Complaints Committee

The details with respect to the composition, terms of reference, number of meetings held and business transacted business transacted by the aforesaid Committees are given in the "Corporate Governance Report" of the Company which is presented in a separate section and forms a part of the Annual Report of the Company.

BOARD EVALUATION

In terms of requirements of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board is required to carry out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and individual Directors.

Your Company got listed on BSE and NSE on February 02, 2021. Hence the performance evaluation of the Board and Committees for FY 2020-21 was carried out in financial year 2021-22. Therefore, the detailed process of performance evaluation will form a part of the Annual Report for Financial year 2021-22.

FAMILIARISATION PROGRAMME

Pursuant to the SEBI Regulations, the Company has worked out a Familiarisation Programme for the Independent Directors, with a view to familiarise them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc. Through the Familiarisation Programme, the Company apprises the Independent directors about the business model, corporate strategy, business plans, finance human resources, technology, quality, facilities, risk management strategy, governance policies and operations of the Company. Details of Familiarisation Programme of Independent Directors with the Company are available on the website of the Company www.indigopaints.com/investors

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

Your Company does not have any subsidiaries, associates and joint ventures.

RELATED-PARTY TRANSACTIONS

In accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 2015, your Company has a Policy on Related-Party Transactions which can be viewed at www.indigopaints.com/investors

There were no material transactions with related parties during the year under review (i.e. transactions exceeding 10% of the annual consolidated turnover entered into during the year as per the last audited financial statements).

Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

PUBLIC DEPOSITS

No public deposits have been accepted by your Company during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No Loans, guarantees or investments have been made by the Company during the financial year March 31, 2021.

ACCOUNTING TREATMENT

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) as recommended by the Institute of Chartered Accountants of India (ICAI) and prescribed by the Central Government.

AUDITORS

(a) Statutory Auditors:

In accordance with the provisions of section 139 of the Companies Act 2013 and the rules made thereunder M/s. SRBC & Co LLP, Chartered Accountants, bearing FRN 324982E/E300003 were appointed as the statutory auditors of the Company, for a period of five years at the 19th Annual General Meeting held on September 30, 2019.

The Auditors have issued an unmodified opinion on audited financial statements of the Company for the year ended March 31, 2021. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

(b) Cost Auditors:

Your Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013, and hence, no cost auditors have been appointed.

(c) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, Mr. Sushant Kulkarni, Partner of M/s. ARKS and Associates, Practising Company Secretaries had been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the FY 2020-21. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as Annexure B.

The secretarial auditor's report has the following qualifications:

Qualification	Management Responses
For the Quarter ending December 2020, the Financial Results listed entity has disclosed all the within stipulated time frame and in the manner prescribed under Regulation 33.	The Company was listed on the stock exchanges on February 02, 2021. In its prospectus dated January 25, 2021, the listed entity has disclosed all the material information. It is due to the unintentional deferred treatment on applicability of regulation 33 as listing took place in the last quarter of the financial year under review, there was delay in compliance. The matter is under review with Stock exchanges. It is further informed that the Company has completed the compliance on May 14, 2021 and are awaiting the stock exchanges to revert on the waiver of penalty application.

(d) Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, Mr. Srihari Santhakumar, Deputy General Manager-Finance, was appointed by the Board of Directors to conduct internal audit of your Company for the financial year 2020-2021.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors, Secretarial Auditors and Internal Auditor have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- I. The Annual Accounts have been prepared in conformity with the applicable Accounting Standards and there are no material departures;
- II. They have selected such Accounting Policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company at the end of Financial Year 2020-2021 and of the profit for that period;
- III. Proper and sufficient care has been taken and that adequate accounting records have been maintained in accordance with the provisions of the Act for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- IV. The Annual Accounts have been prepared on a going concern basis;
- V. The internal financial controls laid down by the Company were adequate and operating effectively; and
- VI. The systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

RISK AND CONTROL

Through the Risk Management Committee, Board of Directors oversees your Company's Risk Management.

Risk Management Policy

Your Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Company has formed a Risk Management Committee which defines the Company's approach towards risk management and includes collective identification of risks impacting the Company's business its process of identification and mitigation of such risks. The Risk Management Policy is uploaded on the website of the Company and can be viewed through the following web link: www.indigopaints.com/investors

Internal Control Systems

Your Company is committed in maintaining the highest standards of internal controls. We have deployed controls through appropriate policies, procedures and implemented a robust Internal Financial Control system that encompasses the following:

- Key processes affecting the reliability of the Company's financial reporting together with the required controls
- Periodic testing of controls to check their operational effectiveness
- Prompt implementation of remedial action plans arising out of tests conducted
- Regular follow-up of these action plans by senior management

In addition, the Internal Auditor performs periodic audits in accordance with the pre-approved plan. He reports on the adequacy and effectiveness of the internal control systems and provide recommendations for improvements.

Audit findings along with management response are shared with the Audit Committee. Status of action plans are also presented to the Audit Committee which reviews the steps taken by the management to ensure that there are adequate controls in design and operation.

The Certificate provided by Managing Director and Chief Financial Officer in the Corporate Governance Report discusses the adequacy of the internal control systems and procedures.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given as below:

A. Energy conservation measures taken:

- Highly Efficient rotor stator technology adopted in paint processing.
- Digital logic controller installation for Air compressor optimization.
- Use of Energy efficient motors in new plants.
- Use of efficient aluminum Air piping solution to reduce air loss.
- VFD installed in all the high HP motors.
- Installation of energy efficient LED lights for internal & external lighting.
- Use of screw type compressors resulting in energy savings.
- Development of energy efficient agitators in water-based emulsion mixing tanks, resulting in energy savings.
- Dry run protection relay for the pumps to eliminate the chances of damage of the pumps by stopping the pumps automatically if liquid is not available in the pump section.
- Fully automatic filling machines installed at water-base and solvent-base plants.
- Dust extraction systems with automatic dampers.

B. Technology Absorption:

Your Company focuses greatly on Research and Development (R&D) for developing innovative products for its consumers. R&D is a continuous activity to create differentiated products so as to maintain the technological edge in the market.

The nature of activities carried out by R&D team are as follows:

- Offering premium product with multifunctional use.
- Upgrading our current products to meet the needs of the consumer.
- Value generation via formula optimization, new sourcing, process efficiency and usage of alternative raw material to enhance profitability.
- Development of new lab testing methods for faster approval of raw materials.
- Continuous benchmarking of our product with other market players.

New product developed in the FY 2020-21 are as follows:

- Self-Priming Epoxy Enamel
- Leak Proof Emulsion
- PU Floor Coat
- Premium Interior Sheen Emulsion

C. The foreign exchange earnings and outgo during the reporting period is as under:

FOREIGN EXCHANGE EARNINGS AND OUTGO (in Rupees Lakhs)

Foreign exchange inflows	-
Foreign exchange outflows	57,460.21

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended March 31, 2021, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure C

The Composition of CSR Committee and meetings of the CSR Committee held during the year has been disclosed in the "Corporate Governance Report".

PREVENTION OF INSIDER TRADING

Your Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at www.indigopaints.com/investors

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There were no material changes during the year affecting financial position of the Company.

MATERIAL ORDERS OF REGULATORS/COURTS/TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in the future.

SHARE REGISTRAR & TRANSFER AGENT (R&T)

Link Intime India Private Limited is the Registrar and Transfer Agent of the Company.

They were appointed as the Registrar and Share Transfer Agent of the Company with effect from February 15, 2021.

PARTICULARS OF EMPLOYEES

25 employees are in receipt of remuneration of not less than Rs. 1,02,00,000/- (Rupees One crore and two Lakhs) who is employed throughout the year. No employee was employed for part of the year.

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as well as Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure D to this Report. Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the (Listing Obligations Disclosures Requirements), Regulations, 2015 is presented in a separate section forming part of the Annual Report of the Company.

CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate by the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, are provided in a separate section and forms a part of the Annual Report of the Company.

BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives taken by your Company on the environmental, social and governance front, forms an integral part of this report.

STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

During the year under review, Company had not received any complaints on sexual harassment.

VIGIL MECHANISM

Your Company has formulated a Vigil Mechanism and Whistle Blower Policy intending to provide a mechanism for employees to report violations. It also assures them of the process that will be observed to address the reported violation. The Policy also lays down the procedures to be followed for tracking complaints, giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants.

Any incident that is reported is investigated and suitable action is taken in line with the Policy.

The Whistle Blower Policy of your Company is available on the website of the Company and can be viewed at the web link www.indigopaints.com/investors

Your Company had not received any complaint under the Whistle Blower Policy during the year under review.

ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company www.indigopaints.com/investors

SECRETARIAL STANDARDS

Your Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

OTHER DISCLOSURES

In terms of the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company additionally discloses that, during the year under review no disclosure or reporting is required with respect to the following:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of Sweat equity shares; and
- Buyback of shares

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

ACKNOWLEDGEMENTS

Your Directors wish to convey their gratitude and appreciation to all the employees of the Company posted at all its locations for their tremendous personal efforts as well as collective dedication and contribution to the Company's performance.

Your Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

On behalf of the Board of Directors
For Indigo Paints Limited
(formerly known as Indigo Paints Private Limited)

Mr. Hemant Kamala Jalan
 Chairman and Managing Director
 DIN: 00080942

Place: Pune
 Date: August 06, 2021

Annexure A

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER SEBI (SHARE-BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND SECTION 62(1)(b) OF THE COMPANIES ACT, 2013 READ WITH RULE 12(9) OF THE COMPANIES (SHARE CAPITAL & DEBENTURES) RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED WITH RESPECT TO EMPLOYEE STOCK OPTIONS SCHEME

Details of ESOP	Employee Stock Option Scheme, 2014 ("ESOS, 2014")	Employee Stock Option Scheme, 2019 ("ESOS, 2019")
I. Description of each ESOP that existed at any time during the year:		
1. Date of shareholders' approval	December 06, 2014	March 28, 2019
2. Total number of options approved under ESOP	8,84,130	2,50,000
3. Vesting requirements	Minimum 1 Year and Maximum 4 Years	Options granted under this Scheme shall vest for 48months from the date of grant
4. Exercise price or pricing formula (Rs.)	Rs. 66.15 and Rs. 106.15	Rs. 10/-
5. Maximum term of options granted (years)	NIL	Options vested under this Scheme shall be exercised within 36months from the date of vesting
6. Source of shares (Primary, Secondary or combination)	Primary	Primary
7. Variation in terms of options	NIL	NIL
II. Method used to account for ESOP:		
III. Option Movement during the year:		
1. Number of options outstanding at the beginning of the year	455,325	27,750
2. Number of options granted during the year	0	21,250
3. Number of options forfeited/lapsed during the year	0	500
4. Number of options vested but not exercised during the year	0	NIL
5. Number of options exercised during the year	455,325	NIL
6. Total number of shares arising as a result of exercise of options	455,325	NIL
7. Money realised by exercise of options (Rs.)	4,08,59,500	NIL
8. Number of options outstanding at the end of the year	0	48,500
9. Number of options exercisable at the end of the year	0	NIL
Details of ESOP		
IV. Weighted-average exercise price of options granted during the year whose:		
i. Exercise price equals market price	NIL	NA
ii. Exercise price is greater than market price	NIL	NA
iii. Exercise price is less than market price	NIL	21,250

Details of ESOP	Employee Stock Option Scheme, 2014 ("ESOS, 2014")	Employee Stock Option Scheme, 2019 ("ESOS, 2019")
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V. Employee-wise details of options granted during the FY 2020-21 to:

i. Senior Managerial personnel	NIL	Mr. Srihari Santhakumar- 1,500 options
ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Employee-wise details are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 21st Annual General Meeting.	
iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL

Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing Model

The Assumptions used in the model are as follows:

Particulars		
1. Risk-Free Interest Rate	NIL	5.10%
2. Expected Life	NIL	4 Years
3. Expected Volatility	NIL	30%
4. Dividend Yield	NIL	0%
5. Price of the underlying share in market at the time of the option grant (Rs.)	NIL	Rs. 612.96

Annexure B
Form No. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31.03.2021

To,
The Members,
Indigo Paints Limited
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road Pune - 411045

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indigo Paints Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Indigo Paints Ltd's books, papers, minute books, forms and returns filed and other records maintained by the company 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, 2021 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 Indigo Paints Limited ("the Company") for the financial year ended on March 31, 2021, 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 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period).
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2018 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period).
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period).
- (h) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014.
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - (a) The Environment Protection Act, 1986.
 - (b) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
 - (c) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.

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| <ul style="list-style-type: none"> (d) Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016. (e) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989. (f) Professions Tax (g) Provident Funds and Miscellaneous Provisions Act, 1952 (h) Employees' State Insurance Act, 1948. | <p>I have also examined compliance with the applicable clauses of the following:</p> <ul style="list-style-type: none"> (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India. (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
|--|--|

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary.
1	In Terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company is required to Submit the Quarterly Financial Results to Stock Exchange within 45 Days of the end of Each Quarter.	For the Quarter ending December 2020, Company has not filed quarterly Financial Results within stipulated time frame and in the manner prescribed under Regulation 33.	The Company was listed on the stock exchanges on February 02, 2021. In its prospectus dated anuary 25, 2021, the listed entity has disclosed all the material information. Prima facie it seems that due to unintentional differed treatment on applicability of regulation 33 as listing took place in the last quarter of the financial year under review, there is delay in compliance. The matter is under review with Stock exchanges and based on the representation and the documentary evidence we observe that the Company has completed the compliance on May 14, 2021 and are awaiting the stock exchanges to revert on the waiver of penalty application.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

I further report that, during the audit period following are the specific events and actions which have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- (i) During the period under scrutiny the Company was converted into a Public Limited Company. Approval of the conversion was done by passing of resolution in the Extra-Ordinary General Meeting of the Company dated June 01, 2020. Company has complied with all the rules and regulations contained under Companies Act, 2013 and rules framed thereunder for the same.
- (ii) During the Financial period under review the Board of Directors vide their meeting dated September 29, 2020 have increased the borrowing power of the Company up to 100,00,00,000/- (Rupees one Hundred Crores Only). All the necessary compliance under Section 180 (1) (c) is being carried out.

(iii) During the Financial period under scrutiny, the Company amended Employees Stock Option Scheme, 2019 by passing resolution at the meeting of the Members of the Company held at October 26, 2020. Company has complied with provisions of Companies Act, 2013 and brought ESOP, 2019 scheme of the company in conformity with SEBI (Share based Employee Benefits) Regulations, 2014.

(iv) During FY 2020-21, the Board of Directors of the Company vide their meeting dated December 19, 2020 proposed Conversion of Compulsorily Convertible Cumulative Preference Shares bearing following series;

- 69,904 Series A1 Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each.
- 46,586 Series A2 Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each.
- 130865 Series B Compulsorily Convertible Cumulative Preference Shares of Rs. 100/- each.
- 1,58,30,720 Series B Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- each.

The aforesaid conversion was approved by members of the Company in an Extra-Ordinary General Meeting dated December 22, 2020. In relation of the said conversion the company has complied with all the provisions of Companies Act, 2013, Foreign Exchange Management Act, 1999 read with Foreign Direct Investment Policy of Reserve Bank of India and guidelines of RBI issued from time to time.

(v) During FY 2020-21 the Board of Directors of the Company vide resolution passed by Circulation dated January 05, 2021 approved allotment of 455325 Equity shares to Employees qualified under Employees Stock

Option Scheme, 2014 approved by the members of the Company in their meeting dated December 06, 2014. The aforesaid conversion was approved by members of the Company in an Extra-Ordinary General Meeting dated December 22, 2020.

In relation of the said issue the company has complied with all the provisions of Section 62 (1)(b) of Companies Act, 2013 and rule 12 Companies (Share Capital and Debentures) Rules, 2014.

(vi) During FY 2020-21, Company got listed on BSE Limited and National Stock Exchange of India Limited on February 02, 2021. Pursuant to Initial Public offering, the Company issued 2,013,422 fresh Equity Shares of Rs. 10/- each at Price of Rs. 1490/- Per Share. Company has complied with all the requirements under Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Company has also complied with all requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and listing agreements signed with BSE Limited and National Stock Exchange of India Limited.

(vii) During FY 2020-21, overall managerial remuneration limit of 11% as specified in Section 197 which is calculated as per provisions of Section 198 increased up to 35% in Extra-Ordinary General Meeting dated January 28, 2021. Company has carried out necessary compliances associated with it with respective regulatory authorities.

CS Sushant Vikas Kulkarni

FCS No: 9823

C P No.: 10197

Place : Pune

Date : August 06, 2021

UDIN: F009823C000744293

Annexure C

Format for the Annual Report on CSR Activities to be Included in the Board's Report for Financial Year Commencing on or after April 1, 2020.

1. Brief outline on CSR Policy of the Company:

CSR has been a long-standing commitment at Indigo Paints Limited ("Company") and forms an integral part of our activities. Being a responsible corporate citizen, the Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the wellbeing of the community. Its contribution to the social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company, the Group and the broader community.

The company continues to assist girl children from an underprivileged background towards their education thus contributing for the better future of these girls and largely for the society.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Hemant Kamala Jalan	Chairman and Managing Director	1	1
2	Anita Jalan	Executive Director	1	1
3	Praveen Kumar Ramniranjan Tripathi	Non-Executive Independent Director	1	1

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.indigopaints.com/investors
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): N/A
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	N/A	N/A	N/A

- Average net profit of the company as per section 135(5): Rs. 31,72,28,114/-
- Two percent of average net profit of the company as per section 135(5): Rs. 63,44,562/-
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL
 - Amount required to be set off for the financial year, if any: NIL
 - Total CSR obligation for the financial year (7a+7b-7c): Rs. 63,44,562/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 63,79,000	N/A	N/A	N/A	N/A	N/A

(b) Details of CSR amount spent against ongoing projects for the financial year: N/A

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No. of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(8)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project. State District	Amount spent in the current financial Year (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1	Educare	Item ii as per Schedule VII of the Companies Act, 2013	Yes	State of Maharashtra and Pune District	63,79,000	No	Payal Jalan Charitable Trust NA
Total	---	---	---	---	63,79,000	---	---

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.63,79,000

(g) Excess amount for set off, if any: Nil

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	63,44,562
(ii)	Total amount spent for the Financial Year	63,79,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	34,438
(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)]	34,438

9. (a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1	2017-18	Nil	Nil	N/A	N/A	N/A	Nil
2	2018-19	Nil	Nil	N/A	N/A	N/A	Nil
3	2019-20	Nil	28,20,000	N/A	N/A	N/A	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N/A

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
-	-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Asset wise details: N/A

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N/A

Hemant Kamala Jalan
 (Chairman and Managing Director).

Hemant Kamala Jalan
 (Chairman CSR Committee).

Annexure D

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21:

The median remuneration of employees of the Company during FY 2020-21 was Rs. 4,18,880/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of Director	Designation	Remuneration of Director for FY 2020-21	Ratio of Remuneration of each Director to Median Remuneration of employees for FY 2020-21
1	Mr. Ravi Nigam	Independent Director	Rs. 7,00,000/-	1.67
2	Mr. Hemant Kamala Jalan	Chairman and Managing Director	Rs. 1,35,00,000/-	32.22
3	Ms. Anita Hemant Jalan	Executive Director	Rs. 6,00,000/-	1.43
4	Mr. Narayanankutty Kottiedath Venugopal	Executive Director	Rs. 17,55,57,500/-	419.11
5	Mr. Sunil Badriprasad Goyal	Independent Director	Rs. 7,00,000/-	1.67
6	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Alternate Director	NIL	NIL
7	Ms. Sakshi Vijay Chopra	Nominee Director	NIL	NIL
8	Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	Rs. 7,00,000/-	1.67
9	Ms. Nupur Garg	Independent Director	Rs. 13,00,000/-	3.10

Notes:

- 1) The remuneration of Directors includes sitting fees, perquisites and commission.
- 2) The remuneration mentioned aforesaid is for the entire FY 2020-21.
- 3) The Remuneration to Directors is within the overall limits approved by the shareholders
- 4) "Median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. If there is an even number of observations, the median shall be the average of the two middle values.

b. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year:

The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2020-2021 is provided in the table below:

Sr. No.	Name of Director / KMP	Designation	% increase in Remuneration in FY 2020-21 (excluding Perquisites)
1	Mr. Ravi Nigam	Independent Director	-
2	Mr. Hemant Kamala Jalan	Chairman and Managing Director	50.00%
3	Ms. Anita Hemant Jalan	Executive Director	-
4	Mr. Narayanankutty Kottiedath Venugopal	Executive Director	32.61%
5	Mr. Sunil Badriprasad Goyal	Independent Director	-
6	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Alternate Director	-
7	Ms. Sakshi Vijay Chopra	Nominee Director	-

Sr. No.	Name of Director / KMP	Designation	% increase in Remuneration in FY 2020-21 (excluding Perquisites)
8	Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	-
9	Ms. Nupur Garg	Independent Director	-
10	Mr. Chetan Bhalchandra Humane*	Chief Financial Officer	-
11	Mr. Sujoy Sudipta Bose	Company Secretary	32.82%

*CFO appointment w.e.f March 11, 2021.

c. The percentage increase in the median remuneration of employees in the financial year:

In the financial year under review, there was an increase of 4.45 % in the median remuneration of employees as compared to financial year 2019-20.

d. The number of permanent employees on the rolls of the Company:

There were 691 permanent employees on the rolls of the Company as on March 31, 2021.

e. Average percentile increase 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 average increase in salaries of employees other than managerial personnel was 9.26% . The increase in remuneration of employees other than the Key Managerial Personnel is in line with the increase in remuneration of Key Managerial Personnel.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

Disclosure under Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

List of employees of the Company employed throughout the FY 2020-21 and who were paid remuneration of not less than Rs. 1.02 crores per annum

Name of Employee	Designation	Remuneration**	Qualification	Years of Exp	Age	Last Employment
Narayanankutty Kottiedath Venugopal	Executive Director	17,55,57,500	B.Sc and PGDM	Over 40	72	Hi Build Coatings Private Limited
Varghese Idicula	Vice President (Technical)	3,73,88,324	B. Sc and MBA	Over 35	58	Hi Build Coatings Private Limited
Pavan Sharma	G. M. (Technical)	3,57,29,100	B.E.	21	44	NA
Thundiyl Surendra Suresh Babu	Chief Operating Officer	3,37,20,600	B.E. and PGDM	23	50	Hi Build Coatings Private Limited
Satya Narayan Shukla	Sr G. M. (Works)	3,13,44,200	B.Sc	21	58	NA
Chetan Bhalchandra Humane	Chief Financial Officer	3,10,50,200	M.Com	21	45	Jenson & Nicholson (I) Limited
Kanchan Das	Branch Manager	2,96,69,179	B.Sc	24	49	Seacem Paints Private Limited
Manoj Ramakrishnan	Sr Branch Manager	2,11,70,494	B.A and B.Ed	26	49	Shalimar Paints Limited
Mahesh Kumar Jha	Branch Manager	2,04,56,775	BA	92	51	Halogen Chemicals Private Limited
Vinay Menon	DGM (Commercial)	2,04,05,096	MIB	20	42	Hi Build Coatings Private Limited

Name of Employee	Designation	Remuneration**	Qualification	Years of Exp	Age	Last Employment
Pradeep M G	Branch Manager	2,03,93,623	B.Com	16	41	Classic Paints
Mukesh Tripathi	Branch Manager	2,03,37,510	PGDM	38	59	Modi Paints
Rajneesh Saxena	Branch Manager	2,00,07,119	B.Sc	24	48	Berger Paints Limited
Aditya Gupta	Branch Manager	1,99,74,400	B. Com, MBA	20	38	Berger Paints Limited
Abhay Mandavgode	Branch Manager	1,98,84,444	B.E.	20	47	Delight Chemicals Private Limited
Shinu Varghese	G M - Manufacturing	1,63,04,650	B. Sc	21	45	BASF Coatings Private Limited
Tarun Chakravarty	Branch Manager	1,60,63,701	B. Sc	29	53	Berger Paints Limited
Som Pathak	Branch Manager	1,36,56,332	B. Com, M.com	32	47	Godlas Nerolac Paints Limited
Hemant Jalan	Chairman and Managing Director	1,35,00,000	B. Tech, M.Sc and M.B.A	Over 30	63	NA
Ashok Kumar Samal	Branch Manager	1,11,74,322	B. Sc, MBA	20	56	Rajdoot Paints Limited
Ankit Kumar Methi	Sr Manager-Production	1,11,37,850	B.E.	13	33	NA
Sunil Yadav	Sr Manager-Production	1,10,85,850	BE, MBA	11	37	Cold Steel Corporation
Onkar Nath Jha	Sr Manager - M.I.S.	1,10,29,600	B. Com	16	42	Elixir Web Solutions
Milind Pundlik Sarak	Sr Manager - Purchase	1,09,32,222	B. Com, M. Com	17	37	C. R. Sagdeo & Co.
Suman Maji	Branch Manager	1,07,65,095	BA, PGD Computer Application	29	51	Kamdhenu Paints

List of employees of the Company employed for the part of the year and were paid monthly remuneration not less than Rs. 8.5 Lakhs per month

Name of Employee	Designation	Remuneration	Qualification	Years of Exp	Joining Date	Age	Last Employment
NA	NA	NA	NA	NA	NA	NA	NA

List of Top 10 Employees of the Company

Name of Employee	Designation	Remuneration**	Qualification	Years of Exp	Age	Last Employment
Narayanankutty Kottiedath Venugopal	Executive Director	17,55,57,500	B.Sc and PGDM	Over 40	72	Hi Build Coatings Private Limited
Varghese Idicula	Vice President (Technical)	3,73,88,324	B. Sc and MBA	Over 35	58	Hi Build Coatings Private Limited
Pavan Sharma	G. M. (Technical)	3,57,29,100	B.E.	21	44	NA
Thundiyl Surendra Suresh Babu	Chief Operating Officer	3,37,20,600	B.E. and PGDM	23	50	Hi Build Coatings Private Limited
Satya Narayan Shukla	Sr G. M. (Works)	3,13,44,200	B.Sc	21	58	NA
Chetan Bhalchandra Humane	Chief Financial Officer	3,10,50,200	M.Com	21	45	Jenson & Nicholson (I) Limited
Kanchan Das	Branch Manager	2,96,69,179	B.Sc	24	49	Seacem Paints Private Limited

Name of Employee	Designation	Remuneration**	Qualification	Years of Exp	Age	Last Employment
Manoj Ramakrishnan	Sr Branch Manager	2,11,70,494	B.A and B.Ed	26	49	Shalimar Paints Limited
Mahesh Kumar Jha	Branch Manager	2,04,56,775	BA	92	51	Halogen Chemicals Private Limited
Vinay Menon	DGM (Commercial)	2,04,05,096	MIB	20	42	Hi Build Coatings Private Limited

**Remuneration includes salary, bonus, various allowances, performance incentive, contribution to provident fund and perquisites

On behalf of the Board of Directors For Indigo Paints Limited

(formerly known as Indigo Paints Private Limited)

Mr. Hemant Kamala Jalan

Chairman and Managing Director
DIN: 00080942

Date: August 06, 2021

Place: Pune

Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations" / "Listing Regulations").

1. INDIGO PAINTS' PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to uphold best business practices along with the highest standards of corporate governance. The principles of transparency, accountability, integrity and innovation constitute the foundation on which the edifice of the organization is built.

Your Company takes utmost care to safeguard the interests of all its stakeholders. Your Company's governance structure comprises of the Board of Directors and the Committees of the Board at the apex level and the management structure at the operational level.

The Board decides significant policies and business matters with full participation of non-executive directors, who impart the benefit of their vast experience and skills to bring qualitative improvement to the decision-making process.

The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company thus ensuring monitoring at the highest levels.

2. BOARD OF DIRECTORS

a. COMPOSITION:

Your Company has formulated and adopted the Nomination and Remuneration Policy to provide a framework for the nomination, evaluation and remuneration of members of the board of directors of the Company (the "Board") and key managerial personnel ("KMPs"), of the Company and in order to ensure that the composition of the Board is optimum, balanced and diverse to benefit from fresh perspectives, new ideas and broad experience. As on the date of this Report, your Company has nine (9) members collectively forming part of Board of Directors. The Chairman, Mr. Hemant Kamala Jalan is an Executive Director. He is also the Managing Director.

Mr. Hemant Kamala Jalan, Ms. Anita Hemant Jalan and Mr. Narayanankutty Kottiedath Venugopal are the executive directors of your Company.

Mr. Ravi Nigam, Mr. Sunil Badriprasad Goyal, Mr. Praveen Kumar Ramniranjan Tripathi and Ms. Nupur Garg are Independent in terms of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Companies Act, 2013 ("the Act").

Mr. Ravi Shankar Venkataraman Ganapathy Agraharam is the alternate director to Ms. Sakshi Vijay Chopra.

Ms. Sakshi Vijay Chopra is Non-Executive Nominee Director.

Ms. Nupur Garg is Woman Independent Director in terms of the Listing Regulations as amended from time to time.

Thus, as on March 31, 2021, the Board of your Company comprises three (3) Executive Directors and Six (6) Non-Executive Directors, of whom four (4) are Independent Directors. The Chairman is an Executive Director. The Company fulfils the requirement of composition of the Board of Directors as per the provisions of Regulation 17 of the Listing Regulations.

None of the Directors hold Directorships in more than twenty (20) Indian Companies including ten (10) Public Limited Companies. Further, none of the Directors on the Board is a member of more than ten (10) Board Committees and Chairperson of more than five (5) Board Committees across all public companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies. None of the Independent Directors of the Company serve as Independent Directors in more than seven (7) listed Companies.

TABLE 1
Composition of the Board of Directors as on March 31, 2021.

Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships*#	Committee Chairmanship*#
Mr. Hemant Kamala Jalan	Chairperson and Managing Director	0	0	0
Ms. Anita Hemant Jalan	Executive Director	0	0	0
Mr. Narayanankutty Kottiedath Venugopal	Executive Director	0	0	0
Mr. Ravi Nigam	Independent Director	0	0	0
Mr. Sunil Badriprasad Goyal	Independent Director	3	4	0
Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	0	0	0
Ms. Nupur Garg	Independent Director	1	1	0
Ms. Sakshi Vijay Chopra	Non-Executive Director	0	0	0
Mr. Ravi Shankar Venkataraman Ganapathy Agraharam**	Non-Executive Director	3	1	0

*Excludes directorship and membership in Indigo Paints Limited. Also excludes directorships in private limited companies, foreign companies and companies registered under Section 8 of the Act and Government Bodies. Also number of memberships is exclusive of Chairmanships.

#For the purpose of calculating, only Audit and Stakeholders' Relationship and Share Transfer Committee in public limited companies, whether listed or not, are considered – Regulation 26(1) of Listing Regulations

**Mr. Ravi Shankar Ganapathy Agraharam Venkataraman shall act as an Alternate Director to Ms. Sakshi Vijay Chopra during her absence in accordance of the Act.

TABLE 2
List of Directorship Held in Other Listed Companies

Name	Name of the other Listed Entity	Category of Directorship
Mr. Sunil Badriprasad Goyal	(i) Ladderup Finance Limited	Managing Director
	(ii) JSW Energy Limited	Director
Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	(i) Prataap Snacks Limited	Nominee Director

TABLE 3
Inter-se relationship amongst the Directors:

Except as stated below, none of our Directors are related to each other.

Name of the Directors	Name of the Directors	Relationship
Mr. Hemant Kamala Jalan	Ms. Anita Hemant Jalan	Spouse
Ms. Anita Hemant Jalan	Mr. Hemant Kamala Jalan	Spouse

TABLE 4
Directors' Shareholding

Name of Directors	Designation	Shares held
Mr. Hemant Kamala Jalan	Chairperson and Managing Director	85,67,500
Ms. Anita Hemant Jalan	Executive Director	69,87,500
Mr. Narayanan Kutty Kottiedath Venugopal	Executive Director	10,250
Ms. Nupur Garg	Independent Director	301
Mr. Sunil Badriprasad Goyal	Independent Director	301
Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	301

KEY BOARD SKILLS, EXPERTISE, COMPETENCE

The Board comprises distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees.

Table 12 below summarises the key skills, expertise and competence required for the Company and is taken into consideration while nominating candidates to serve on the Board.

TABLE 5

Skills Identified	Definition
Experience and Industry Knowledge	Industry experience through detailed knowledge of the Company or the sector in which it operates, as well as those who understand the broader industry environment.
Financial & Accounts	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Corporate Governance	Service on a public listed company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing best governance practices.
General Management and Leadership	Extended leadership experience resulting in a practical understanding of organisations, processes, strategic planning, and risk management. General know how of business management, talent management & development, compliance with applicable regulations, workplace health & safety.
Technology and Development	A significant background in technology, resulting in knowledge as to how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Sales & Marketing	Experience in developing strategies to grow sales and market share, build brand competitiveness, awareness and equity, and build a strong Corporate reputation.
Business Development	Suggesting Innovative new ideas and formulation of new strategies for the business, keeping in mind the changing requirements of the industry and customers.

In the table below, the key skills, expertise and competence of the Board of Directors in the context of the Company's business for effective functioning and as available with the Board have been highlighted.

Name of Director	Mr. Hemant Kamala Jalan	Mr. Ravi Nigam	Mr. Sunil Badriprasad Goyal	Mr. Praveen Kumar Ramniranjan Tripathi	Ms. Nupur Garg	Ms. Anita Hemant Jalan	Mr. Narayanankutty Kottiedath Venugopal	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Ms. Sakshi Vijay Chopra
Experience and Industry knowledge	✓	✓	-	-	-	-	✓	-	-
Financial & Accounts	✓	✓	✓	-	✓	-	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	-	-	✓	✓
General Management and Leadership	✓	-	-	-	✓	✓	✓	-	-
Technology and Development	✓	-	-	✓	-	-	-	-	-
Sales & Marketing	✓	-	-	✓	-	-	✓	-	-
Business Development	✓	✓	✓	-	✓	-	✓	✓	✓

The absence of a mark against a Board Member's name does not necessarily mean the Director does not possess the corresponding skill, expertise or competence.

Independent Directors:

Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website at www.indigopaints.com/investors

Independent Directors are Non-Executive Directors as defined under SEBI Regulations read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they met the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

Further, all the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and Listing Regulations. They have declared that they do not fall under any disqualifications specified under the Act.

The Board of Directors hereby confirm that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI Regulations and are independent of the management.

b. BOARD MEETINGS: Board Procedure

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company. Board meetings are communicated by giving appropriate notice to the Directors. The Board of Directors met Seven (7) times during the FY 2020-21 and the gap between two board meetings did not exceed the period of one hundred and twenty days (120). The necessary quorum was present for all the meetings.

The dates on which the Board Meetings were held are as follows:

- July 03, 2020;
- September 29, 2020;
- October 20, 2020;
- November 05, 2020;
- December 19, 2020;
- January 11, 2021 and
- January 25, 2021.

Table 6 given below gives details of the attendance record of the Directors in the Board Meeting and Annual General Meeting:

TABLE 6
Attendance Record of the Directors for the FY 2020-21.

Name	Board Meeting							Last AGM*
	July 03, 2020	September 29, 2020	October 20, 2020	November 05, 2020	December 19, 2020	January 11, 2021	January 25, 2021	
Mr. Hemant Kamala Jalan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Nigam	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Sunil Badriprasad Goyal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Praveen Kumar RamniranjanTripathi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Ms. Nupur Garg	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Ms. Anita Hemant Jalan	-	Yes	Yes	Yes	Yes	Yes	-	Yes
Mr. Narayanankutty Kottiedath Venugopal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	-	-	-	-	-	-	-	No
Ms. Sakshi Vijay Chopra	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

* Company was a private limited company during the financial year 2019-20. Hence only two directors have attended the AGM held on July 27, 2020.

c. FAMILIARISATION PROGRAMME

The Familiarization Program for Independent Directors is uploaded on the website of the Company, and is accessible at www.indigopaints.com/investors

d. CODE OF CONDUCT

Your Company has a Code of Conduct for Directors and senior management that reflects its high standards of integrity and ethics. The Directors and senior management of the Company have affirmed their adherence to this Code of Conduct for FY 2020-21. As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015,

Mr. Hemant Kamala Jalan, as the Company's Chairman and Managing Director, has signed a declaration, stating that the Board of Directors and senior management personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report as Annexure I. The Code of Conduct also includes code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Companies Act, 2013.

This Code is available on the Company's website www.indigopaints.com/investors

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE:

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Regulations.

The Audit Committee was constituted by a resolution of the Board dated March 11, 2020, the committee was reconstituted on July 03, 2020, and further reconstituted again on November 05, 2020 in compliance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

Terms of reference of Audit Committee are:

- 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;
- Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report, in terms of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and Practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Qualifications and modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Examination of the financial statement and auditors' report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 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;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - 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;
 - Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of and as well as post-audit discussion to ascertain any area of concern;
 - 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;
 - To establish a vigil mechanism for directors and employees to report the genuine concerns or grievances;
 - To review the functioning of the whistle blower mechanism;
 - Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as may be required / mandated as per the Provisions of the Companies Act, 2013, Listing Agreements and/or any other applicable laws;
 - Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- The audit committee mandatorily reviews the following information:
1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses;
 5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
 6. Statement of deviations as and when becomes applicable:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations
- There were three (3) Audit Committee Meetings held during FY 2020-21 as follows:
- July 03, 2020;
 - September 29, 2020 and
 - November 05, 2020.

Table 7 given below gives details of Composition and the attendance record of the Members of the Audit Committee:

TABLE 7

Audit Committee Meetings

Name	Designation	July 03, 2020	September 29, 2020	November 05, 2020
1. Mr. Ravi Nigam	Member	Yes	Yes	Yes
2. Mr. Sunil Badriprasad Goyal	Chairperson	Yes	Yes	Yes
3. Mr. Praveen Kumar Ramniranjan Tripathi#	Member	-	-	-
4. Ms. Nupur Garg\$	Member	-	Yes	Yes
5. Mr. Hemant Kamala Jalan	Member	-	Yes	Yes
6. Ms. Sakshi Vijay Chopra*	Member	Yes	Yes	Yes

* Mr. Ravi Shankar Ganapathy Agraharam Venkataraman shall act as an Alternate Director to Ms. Sakshi Vijay Chopra during her absence in terms of the Companies Act, 2013.

Mr. Praveen Kumar Ramniranjan Tripathi was inducted in the Committee on November 05, 2020.

\$ Ms. Nupur Garg was inducted in the Committee on July 03, 2020

The Company Secretary of the Company acts as Secretary to the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee was constituted pursuant to resolution passed by our Board in its meeting held on September 29, 2020. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on October 20, 2020 are set forth below.

Terms of reference of Nomination and Remuneration Committee are:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the executive directors and key managerial personnel.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate the executive directors of the quality required to run the Company successfully;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to executive directors and key managerial personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

- Formulating criteria for evaluation of performance of independent directors and the Board;
- Devising a policy on diversity of Board;
- Identifying persons who are qualified to become directors and who may be appointed in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

- Performing such other activities as may be delegated by the Board and/ or specified/ provided under the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law and any regulatory authority;
- Administering, monitoring and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Company;
- Carrying out any other function as is mandated by the Board from time to time and / or enforced/ mandated by any statutory notification, amendment or modification, as may be applicable; and
- Performing such other functions as may be necessary

or appropriate for the performance of its duties.

There was one (1) Nomination and Remuneration Committee Meeting held during FY 2020-21 on October 16, 2020.

The Company Secretary of the Company acts as the Secretary of the Committee.

The Committee has formulated criteria for performance evaluation of the Board of Directors of the Company. The said criteria forms part of the performance evaluation policy of the Company.

Table 8 given below gives the details of the Composition and attendance record of the Members of the Nomination and Remuneration Committee:

TABLE 8

Nomination and Remuneration Committee Meetings

Name	Designation	October 16, 2020
Mr. Ravi Nigam	Chairperson	Yes
Mr. Sunil Badriprasad Goyal	Member	Yes
Ms. Nupur Garg	Member	Yes

C. DIRECTORS' REMUNERATION

A. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. The Nomination and Remuneration Policy has been formulated to provide a framework for the nomination, evaluation and remuneration of members of the board of directors of the Company (the "Board"), key managerial personnel ("KMPs"), and other employees of the Company. This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The policy has been placed on the website of the Company at www.indigopaints.com/investors

Nomination and Remuneration Committee (NRC) recommends the remuneration to be paid to the executive director, non-executive director, Independent Director and KMPs to the Board for their approval.

The NRC while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the NRC may deem fit.

The level and composition of remuneration so determined by the Committee is reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully. The relationship of remuneration to performance is clear and meets the appropriate performance benchmarks. The remuneration also involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

B. Non-Executive Independent Directors Compensation

Non-executive and Independent Directors ("NEDs") are paid remuneration by way of sitting fees and commission. The remuneration/ commission/ compensation to the NEDs is determined by the

Committee and recommended to the Board for its approval.

Our Independent Directors are entitled to receive sitting fees of Rs. 100,000 every board meeting that they attend with effect from FY 2020-21. Further, pursuant to a resolution passed by our Board on September 29, 2020, one of our Independent Directors, Ms. Nupur Garg was entitled to an annual commission of Rs. 6 Lakhs.

The commission paid is restricted to a fixed sum on the basis of her tenor in office during the financial year, the payment of the commission, if any to the NEDs is placed before the Board every year for its consideration and approval. The sitting fee payable to the NEDs for attending the Board meetings is also fixed, subject to

the statutory ceiling. The fee is also being reviewed periodically and aligned to comparable best in class companies.

NEDs are not eligible to receive stock options under the existing employee stock option scheme(s) ("ESOP") of the Company.

NEDs are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending meetings of the Company.

The remuneration payable, by the Company to NEDs are subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

The remuneration of Non-Executive Independent Directors is given in Table 9.

TABLE 9

Compensation of Non-Executive Independent Directors of the Company

	(Rs. in Lakhs)		
	Sitting Fees	Commission	Total
Mr. Ravi Nigam	7.00	-	7.00
Mr. Sunil Badriprasad Goyal	7.00	-	7.00
Mr. Praveen Kumar Ramniranjan Tripathi	7.00	-	7.00
Ms. Nupur Garg	7.00	6.00	13.00

None of the Non-Executive Non-Independent Directors were paid any remuneration except as mentioned above.

C. Director's Remuneration

The compensation paid to the executive directors (including managing director) is within the scale approved by the shareholders. The elements of the total compensation, approved by the NRC are also within the overall limits specified under the Act.

The elements of compensation of the executive directors are decided by the Board from time to time.

The executive directors, except for a promoter director, are also eligible for ESOPs as per the ESOP scheme in force from time to time.

Grants under the ESOP scheme are approved by the NRC. In case of inadequacy of profit in any financial year, the remuneration payable to the executive directors shall be further subject to the relevant provisions of the Act.

Executive directors are not paid sitting fees for any Board/ committee meetings attended by them. The remuneration payable by the Company to the executive

directors are subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

The annual remuneration package of Mr. Hemant Kamala Jalan, Managing Director comprises a fixed salary component. A service agreement exists with Mr. Hemant Kamla Jalan which contains his terms and conditions of service, including remuneration, notice period, severance compensation, etc., as approved by the NRC and the Board of Directors, from time to time.

The remuneration paid to Mr. Hemant Kamala Jalan, Mr. Narayanakutty Kottiedath Venugopal and Ms. Anita Jalan in FY 2020-21 was as follows:

Sr. No	Particulars of Remuneration	Name	Name	Name
		Mr. Hemant Kamala Jalan	Mr. Narayanakutty Kottiedath Venugopal	Ms. Anita Jalan
1.	Gross Salary			
	(a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 1,35,00,000	Rs. 91,50,000	Rs. 6,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	Rs. 16,64,07,500	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, If any	-	-	-
5.	Others	-	-	-
6.	Total (A)	Rs. 1,35,00,000	Rs. 17,55,57,500	Rs. 6,00,000

D. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by the Board in its meeting held on October 20, 2020. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by the Board in its meeting held on October 20, 2020 are set forth below.

Terms of reference for Stakeholders' Relationship Committee are:

- Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- Approval of transfer or transmission of shares, debentures or any other securities;
- To authorize affixation of common seal of the Company;
- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- To dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Carrying out any other functions contained in the Companies Act, 2013 and the rules notified there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, each as amended and/or equity listing agreements (if applicable), as and when amended from time to time; and

- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

The Company Secretary of the Company acts as the Secretary of the Committee.

There were no Stakeholders' Relationship Committee Meetings held during the FY 2020-21.

Table 10 given below gives the details of Composition and attendance record of the Members of the Stakeholders' Relationship and Share Transfer Committee:

TABLE 10

Stakeholders' Relationship Committee Meetings

Name	Designation	Meetings Held	Meetings Attended
Ms. Nupur Garg	Chairperson	0	0
Mr. Hemant Kamala Jalan	Member	0	0
Mr. Narayanankutty Kottiedath Venugopal	Member	0	0

During the year, below are the details of the grievances received from the shareholders:

Sr. No.	Nature of Request	Opening Balance	Received	Resolved	Closing Balance
1.	SEBI SCORES Portal	0	13	13	0
2.	BSE/NSE	0	10	7	3
3.	NSDL/CDSL	0	0	0	0
4.	Non-Receipt of Annual Report	0	0	0	0
5.	Non-Receipt of Share Certificate	0	0	0	0
6.	Non-Receipt of dividend	0	0	0	0
Total		0	23	20	3

E. RISK MANAGEMENT COMMITTEE:

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and provisions of Companies Act, 2013, as amended which requires the Company to lay down procedures about risk assessment and risk minimization, The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on October 20, 2020. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on October 20, 2020 are set forth below.

The terms of reference of the Risk Management Committee shall include the following:

- Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- Framing, implementing, reviewing and monitoring the risk management plan for the Company; and
- Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

The Company Secretary of the Company acts as the Secretary of the Committee.

There was No Risk Management Committee Meeting held during FY 2020-21.

Table 11 given below gives the details of Composition and attendance record of the Members of the Risk Management Committee:

TABLE 11

Risk Management Committee Meetings

Name	Designation	Meetings Held	Meetings Attended
Mr. Narayanankutty Kottiedath Venugopal	Chairperson	0	0
Mr. Hemant Kamala Jalan	Member	0	0
Mr. Chetan Balchandra Humane	Member	0	0

F. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee was constituted pursuant to resolution passed by the Board in its meeting held on March 11, 2020. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by the Board in its meeting held on March 11, 2020 are set forth below.

Terms of reference of CSR Committee are:

- Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules there under, each as amended;
- Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation during such immediately Preceding financial years;
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

- Identifying and appointing the corporate social responsibility team of the company including corporate social responsibility manager, wherever required,
- And,
- Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

1 (One) Corporate Social Responsibility Committee Meeting was held during FY 2020-21 on July 03, 2020.

The Company Secretary of the Company acts as the Secretary of the Committee.

Table 12 given below gives the details of Composition and attendance record of the Members of the Corporate Social Responsibility Committee:

TABLE 12
Corporate Social Responsibility Committee Meetings

Name	Designation	July 03, 2020
Mr. Hemant Kamala Jalan	Chairperson	Yes
Mr. Praveen Kumar Ramniranjan Tripathi	Member	Yes
Ms. Anita Hemant Jalan	Member	Yes

G. INITIAL PUBLIC OFFER (IPO) COMMITTEE:

The Initial Public Offer (IPO) Committee was constituted pursuant to resolution passed by the Board in its meeting held on September 29, 2020 for the purpose of giving effect to the proposed Offer and listing the Equity Shares on one or more of the recognised stock exchanges in India and its terms of reference as stipulated pursuant to resolution passed by the Board in its meeting held on September 29, 2020 are set forth below.

The terms of reference of the Initial Public Offer (IPO) Committee are:

- To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental, statutory and regulatory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications/amendments as may be required in the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP") and the prospectus ("Prospectus") as applicable;
- To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental, statutory and regulatory authorities or in accordance with the Applicable Laws;
- To decide in consultation with the BRLMs on the actual Offer size, including any Offer for Sale, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including issue price for anchor investors), bid period, issue price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;
- To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, sponsor bank, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the issue agreement with the BRLMs;
- To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, issue agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the Registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the Registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
- To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;
- To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
- To approve code of conduct as may be considered necessary by the IPO Committee or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;
- To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;
- To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as

may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more recognised stock exchanges in India, with power to authorize one or more officers of the Company to sign all or any of the afore stated documents;

- To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/ confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRIMs;
- To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;
- To make applications for listing of the Equity Shares in one or more recognised stock exchanges in India and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company, where necessary;
- To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
- To submit undertaking/certificates or provide clarifications to the SEBI, ROC and the Stock Exchange(s);
- To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer

and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

- To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under the Applicable Laws to the officials of the Company;
- To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- Deciding, negotiating and finalizing the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRIMs and in accordance with the Applicable Laws;
- Taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;
- To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRIMs; and
- To appoint, in consultation with the BRIMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

There were 7 (Seven) IPO Committee Meeting held during FY 2020-21 as follows:

- November 11, 2020;
- December 19, 2020;
- January 05, 2021;
- January 13, 2021;
- January 19, 2021;
- January 25, 2021;
- January 29, 2021.

The Company Secretary of the Company acts as the Secretary of the Committee.

Table 13 given below gives the details of Composition and attendance record of the Members of the Initial Public Offer Committee:

TABLE 13

Initial Public Offer Committee Meetings

Name	Designation	Meetings Held	Meetings Attended
Mr. Hemant Kamala Jalan	Chairperson	7	7
Ms. Nupur Garg	Member	7	7
Ms. Sakshi Vijay Chopra	Member	7	7
Mr. Narayanankutty Kottiedath Venugopal	Member	7	7

H. INTERNAL COMPLAINTS COMMITTEE (“ICC”) :

As per the provisions of Section 4 of Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal Act, 2013, a Committee of Board of Directors was constituted by a resolution of the Board dated September 29, 2020.

Members of the Internal Complaints Committee have been authorized to do the following acts:

- To draft and amend the Sexual Harassment Policy for the organization from time to time
- To work towards providing a safe and respectful working environment
- Organize training and awareness programs (classroom / elearning) at regular intervals
- To conduct meetings:
 - When there is a complaint received in writing from any of the women employees,
 - To settle grievances,
 - To make sure there is appropriate compensation for any case of misconduct and sexual harassment. And,
 - Other functions as mentioned in the Anti-Sexual Harassment Policy.

The Company Secretary of the Company acts as the Secretary of the Committee.

There were no Internal Complaints Committee Meetings held during the FY 2020-21

CONFIRMATION BY THE BOARD OF DIRECTORS - ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

INSIDER TRADING

In an endeavour to prevent the misuse of unpublished price sensitive information in the day-to-day business affairs and to promote the culture of fair disclosure of information in due compliance with the Principles of Fair Disclosures as set out in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of your Company, have formulated a Code of Conduct to be known as “Indigo Paints Code of Conduct for fair disclosure of unpublished price sensitive information.

Your Company has issued comprehensive guidelines in accordance with the SEBI Regulations as amended, in this regard, which advise and caution the Directors and designated persons, dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

On January 11, 2021, the Company adopted the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Company has automated the declarations and disclosures to identified designated persons, and the Board reviews the policy on a need basis.

PERFORMANCE EVALUATION

Your Company got listed on BSE and NSE on February 2, 2021. Hence the performance evaluation of the Board and Committees for FY 2020-21 was carried out in FY 2021-22. Therefore, the detailed process of performance evaluation will form part of Annual Report for FY 2021-22.

4. INFORMATION ON GENERAL BODY MEETINGS:

The details of the Annual General Meeting held during the last three years and Extra Ordinary General Meeting(s) for the year under review are as follows:

TABLE 14

Information on General Body Meetings.

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
1	18th Annual General Meeting	September 28, 2018 at 11.00 a.m. at 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune – 411045, Maharashtra.	Ordinary	2	1. Adoption of the Balance Sheet of the Company as on March 31, 2018 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the company thereon.
			Special	1	2. Ratification of Appointment of Auditor. 1. Amendment in the 5th Clause of Memorandum of Association of the company
2	19th Annual General Meeting	September 30, 2019 at 11.00 a.m. at 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune – 411045, Maharashtra.	Ordinary	2	1. Adoption of the Balance Sheet of the Company as on March 31, 2019 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the company thereon. 2. Reappointment of Statutory Auditor
3	20th Annual General Meeting	July 27, 2020 at 11.00 a.m. at 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune – 411045, Maharashtra.	Ordinary	2	1. Adoption of the Balance Sheet of the Company as on March 31, 2020 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the company thereon. 2. Ratification of Statutory Auditor.
4	Extra Ordinary General Meeting	June 01, 2020 at 11:00 AM at Villa No. 6, Paradise, Baner Road, Pune – 411045, Maharashtra.	Special	9	1. Conversion from a private limited company to a public limited company 2. Alteration of memorandum of association of the company pursuant to conversion from a private limited company to a public limited company 3. Alteration of articles of association of the company pursuant to conversion from a private limited company to a public limited company 4. Appointment of Mr. Sunil Goyal as the Independent Director of the Company. 5. Appointment of Mr. Praveen Kumar Tripathi as the Independent Director of the Company. 6. Appointment of Ms. Anita Jalan as the Executive Director of the Company.

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
					7. Appointment of Mr. Narayanakutty Kottiedath Venugopal as the Executive Director of the Company.
					8. Appointment of Mr. Ravi Shankar Venkataraman Ganapathy Agraharam as an Alternate Director to Ms. Sakshi Vijay Chopra
					9. Appointment of Ms. Nupur Garg as the Independent Director of the Company.
5	Extra Ordinary General Meeting	October 07, 2020 at 11.00 a.m. at 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune – 411045,	Special	2	1. Approval for the Initial Public Offer of equity shares of the company (“Offer”). 2. Approval of appointment of Mr. Hemant Kamala Jalan (DIN : 00080942) as the Managing Director of the company for the period from March 2018 to March 2023.
6	Extra Ordinary General Meeting	October 26, 2020 at 11.00 a.m. at 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune – 411045,	Special	7	1. Adoption of amended employee’s stock option scheme of the company. 2. Re-classification of authorized and paid-up class of equity shares issued by the company. 3. Increase in the authorized share capital of the company. 4. Alteration to the memorandum of association of the company. 5. Adoption of the New Articles of Association of the company. 6. Approval of Amendment to the shareholders agreement. 7. Increase in investment limits for Non-Resident Indians and overseas citizens of India.
7	Extra Ordinary General Meeting	December 22, 2020 at 11.00 a.m. at Indigo Tower, Street 5, Pallod Farm 2, Baner Road, Pune – 411045,	Special	3	1. Conversion of Compulsorily Convertible Cumulative. Preference Shares 2. Reclassification of Authorized Share Capital of the Company. 3. Alteration of the Memorandum of Association of the Company.
8	Extra Ordinary General Meeting	January 28, 2021 at 01.00 p.m. at Indigo Tower, Street 5, Pallod Farm 2, Baner Road, Pune – 411045,	Special	2	1. Approval of the waiver of recovery of excess remuneration paid to Mr. Narayanankutty Kottiedath Venugopal, executive director of the Company 2. Approval of the increase in the limits of the remuneration of the Directors

- 1 Special Resolution was passed at the 18th Annual General Meeting.
- No Special Resolution(s) were passed at the 19th and 20th Annual General Meeting.
- 23 Special Resolution (s) were passed at the Extra Ordinary General meeting of the company held for the FY 2020-21.

POSTAL BALLOT:

The Company has not passed any Special Resolution through postal ballot during the FY 2020-21.

No special resolution is proposed to be conducted through postal ballot.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter in the Annual Report.

6. MEANS OF COMMUNICATON:

WEBSITE, NEWS & EVENTS

- Subsequent to the listing of the Company on February 02, 2021, the Company has been undertaking dissemination of information in line with the Listing Regulations on its website at www.indigopaints.com
- A separate dedicated section under 'Investors' at www.indigopaints.com/investors gives information on applicable policies including policy on dealing with related party transactions which is at www.indigopaints.com/investors, along with news and events held during the year of the Company.
- A separate dedicated section under 'Investors' Section on the Company's website at www.indigopaints.com/investors gives information on policy for determining material subsidiary at www.indigopaints.com/investors.
- The quarterly, half-yearly and yearly results are sent to the Stock Exchanges where the shares of the Company are listed. The results are normally published in "Financial Express" (English Daily) and "Loksatta" (Marathi Daily). The results are displayed on the Company's www.indigopaints.com/investors. It also displays official press release along with a presentations made to institutional investors or to the analysts.

7. GENERAL SHAREHOLDER INFORMATION

FINANCIAL YEAR	The financial year of the Company is from April 1, to March 31.
DATE OF THE BOARD MEETING AT WHICH THE FINAL ACCOUNTS WERE APPROVED	May 14, 2021
DIVIDEND PAYMENT DATE	NA
21st ANNUAL GENERAL MEETING	Date- September 02, 2021 Day- Thursday Time- 14.00 hrs IST Venue- Annual General Meeting through Video Conference/Other Audio Visual Means. (Deemed Venue for Meeting: Registered Office of the Company at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune- 411045)
LISTING ON STOCK EXCHANGES	BSE Limited BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
DATE OF LISTING	February 02, 2021



STOCK CODE

BSE Limited- 543258
National Stock Exchange of India Limited - INDIGOPNTS
U24114PN2000PLC014669

CORPORATE IDENTITY NUMBER (CIN)

ISIN

INE09VQ01012 (NSDL & CDSL)

COMPANY'S ADDRESS FOR CORRESPONDENCE

Mr. Sujoy Sudipta Bose
Company Secretary & Compliance Office
Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune- 411045.
Telephone: +91 20 66814300
Email: secretarial@indigopaints.com
Website: www.indigopaints.com

ADDRESS OF THE REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt Ltd
Block No. 202, 2nd Floor, Akshay Complex, Off, Dhole Patil Rd,
Near Ganesh Temple, Pune, Maharashtra 411001
Telephone.: 020 2616 1629/ 022 – 4918 6270
Email.: pune@linkintime.co.in

FINANCIAL CALENDAR (TENTATIVE):

First Quarter Results On or before August 14, 2021
Second Quarter Results On or before November 14, 2021
Third Quarter Results On or before February 14, 2022
Last Quarter Results and Annual Audited Results Within 60 days of the close of financial Year ending on March 31, 2022 i.e. On or before May 30, 2022

DIVIDEND PAYMENT:

No dividend is proposed to be declared at the forthcoming Annual General Meeting.

SHARE TRANSFER SYSTEM

Your Company's shares are compulsorily traded in dematerialised form. In the case of transfers in physical form which are lodged at the Registrar and Transfer Agent's office, these are processed within a maximum period of 15 days from the date of receipt. All share transfers and other share-related issues are approved by Stakeholders' Relationship and duly constituted for this purpose.

DEMATERIALISATION OF SHARES

As on March 31, 2021, the breakup of the total shares of your Company was as under:

Particulars	No. of shares	Percentage of Total Number of Shares
Held in dematerialised form in CDSL	8,86,920	1.86%
Held in dematerialised form in NSDL	4,66,82,076	98.13%
Physical	1	-

PAYMENT OF LISTING FEES:

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2021-2022 within the stipulated time.

PLANT LOCATIONS

Sr. No.	State	City	Address
1.	Rajasthan	Jodhpur Unit I Jodhpur Unit II	F-910, Boranada Industrial Area, Phase- IV Jodhpur – 342 012 Rajasthan. A 207, 208, Boranada Industrial Area, Boranada, Jodhpur – 342 012 Rajasthan.
2.	Kerala	Cochin	Plot No. 74, 75, 76 B&C, Major Industrial Estate, South Kalamassery, Kochi-683 109, Kerala.
3.	Tamil Nadu	Pudukkottai	Plot No. 4 A(3) , SIPCOT Industrial Complex, Vellanur Village, Pudukkottai – 622 002, Tamil Nadu.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	Up to 500	86,334	10,64,077	2.2369
2	501-1,000	85	66,286	0.1393
3	1,001-2,000	66	1,02,711	0.2159
4	2,001-3,000	22	55,281	0.1162
5	3,001-4000	8	28,693	0.0603
6	4,001-5,000	10	45,997	0.0967
7	5,001-10,000	24	1,64,939	0.3467
8	Above 10,001	68	4,60,41,013	96.7879
TOTAL		86,617	4,75,68,997	100.00

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2021

Sr. No.	Category	No. of Shares of Rs. 10 each	% of Shareholding
1	Promoter & Promoter Group*	2,56,86,615	54.00
2	Clearing Members	55,809	0.12
3	Other Bodies Corporate	1,55,702	0.33
4	Directors	11,153	0.02
5	Foreign Company	1,35,73,635	28.53
6	Hindu Undivided Family	48,862	0.10
7	Mutual Funds	9,86,109	2.07
8	Non Resident Indians	10,114	0.02
9	Non Resident (Non Repatriable)	4,288	0.01
10	Public	14,48,110	3.04
11	Insurance Companies	1,38,173	0.29
12	Foreign Portfolio Investors (Corporate)	50,75,168	10.67
13	Alternate Investment Funds - III	3,75,259	0.79
TOTAL		4,75,68,997	100

Note:

*The Present Promoters of your Company are Mr. Hemant Kamala Jalan, Ms. Anita Hemant Jalan, Mr. Kamala Prasad Jalan, Mr. Parag Hemant Jalan and Halogen Chemicals Private Limited.

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): NIL

MARKET PRICE DATA

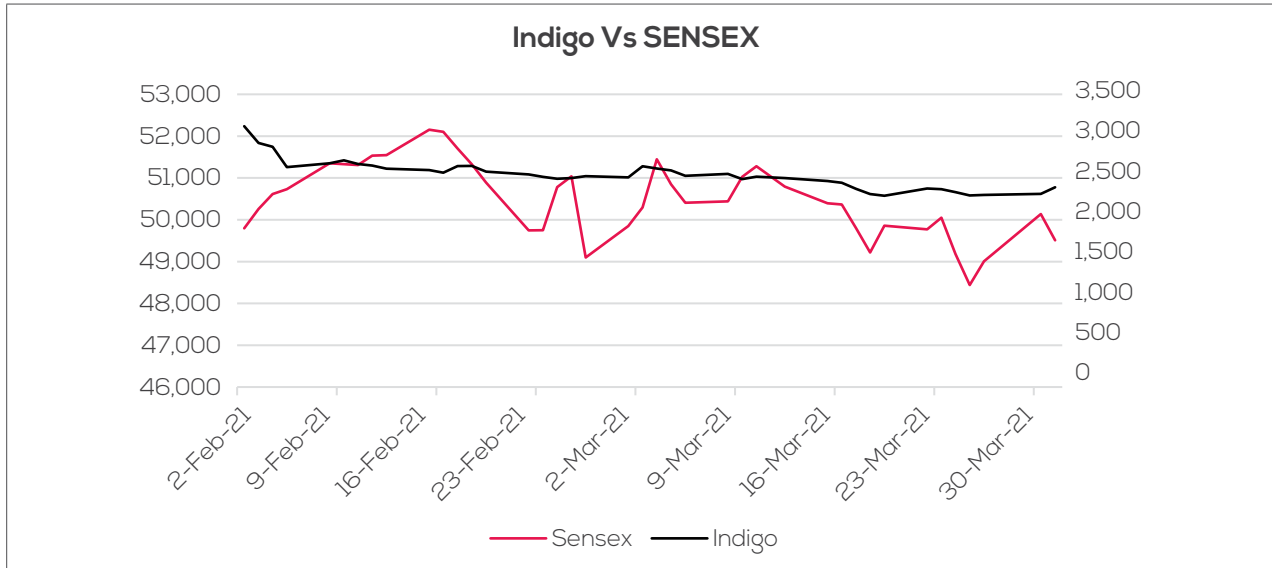
The details of monthly high/low market price of the Equity Shares of the Company at BSE Limited and at the National Stock Exchange of India Limited for the year under review is provided hereunder:

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Feb-21	3,348.00	2,428.20	3,329.95	2,436.05
Mar-21	2,717.95	2,221.00	2,717.70	2,220.25

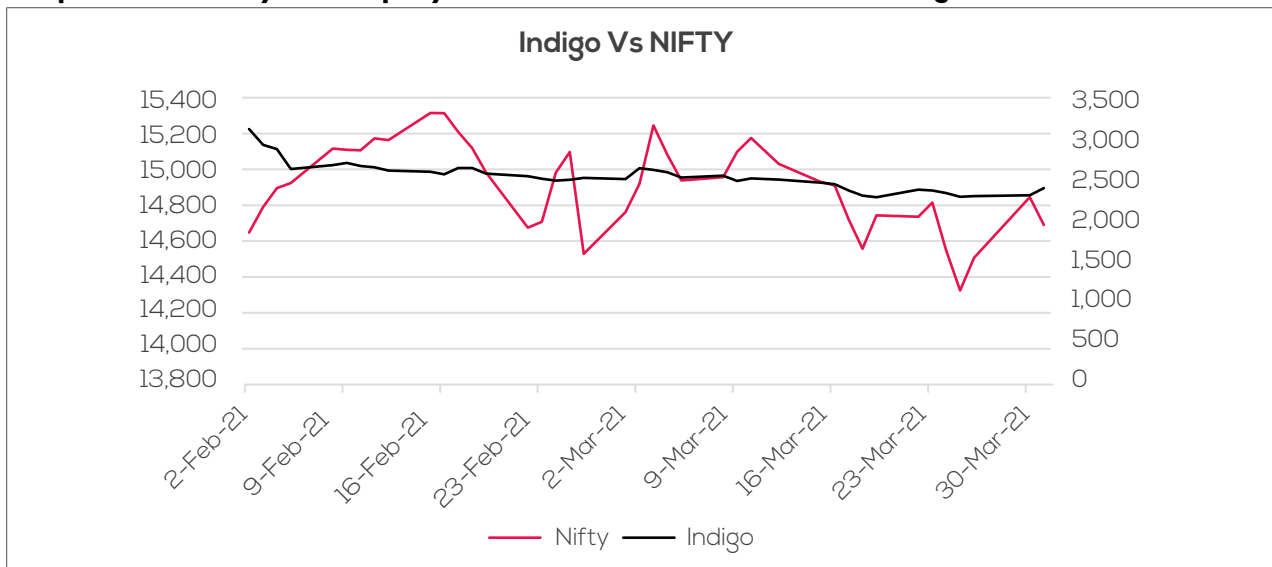
The company is listed on the BSE & NSE w.e.f. February 02, 2021

STOCK PERFORMANCE vs. SENSEX AND NIFTY

The performance of your Company's shares relative to the SENSEX index is given in the chart below:



The performance of your Company's shares relative to the NIFTY Index is given in the chart below:



BREAK-UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON MARCH 31, 2021.

Description	Shares	% to Equity
Physical	1	-
NSDL	4,66,82,076	98.13 %
CDSL	8,86,920	1.86 %
TOTAL	4,75,68,997	100

OUTSTANDING GDRs/ADRs/WARRANTS/ CONVERTIBLE INSTRUMENTS AS ON MARCH 31, 2021.

NIL

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

Company was in default in compliance of provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby Company is required to publish and submit the Quarterly Financial Results to Stock Exchange within 45 Days of the end of Each Quarter.

Notice was issued by BSE Limited dated 15.03.2021 bearing captioned subject "Fines as per SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/12 dated January 22, 2020" Accordingly under the notice, the company is fined with an amount of Rs. 1,40,000/- plus GST Rs. 25,200/- for default in compliance of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notice was also issued by National Stock exchange of India Limited dated 15.03.2021 bearing captioned subject "Notice for Non-Compliance with SEBI (LODR) Regulations, 2015 (Listing Regulations)". Accordingly under the notice, the company is fined with an amount of Rs. 1,40,000/- plus GST Rs. 25,200/- for non-compliance/delay in Compliance of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company was listed on the stock exchanges on February 02, 2021. In its prospectus dated January 25, 2021, the listed entity has disclosed all the material information. Due to unintentional deferred treatment on applicability of regulation 33 as listing took place in the last quarter of the financial year under review, there is delay in compliance. The Company has already completed the Compliance on May 14, 2021. The matter is under review with Stock exchanges.

**UNCLAIMED SHARES: NA
LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO**

The details of Credit ratings obtained by the entity forms part of the Board's report.

This Corporate Governance Report of the Company for the financial year ended March 31, 2021 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable.

8. OTHER DISCLOSURES:**(A) Material Transaction with Related Parties:**

All Related Party Transactions as defined under the Companies Act, 2013 were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website at www.indigopaints.com/investors. During the year 2020-21, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters or Directors or Management or their relatives other than the transactions carried out in the normal course of business. The related party transactions are disclosed in Notes to Accounts.

(B) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

(C) Web Link Where Policy for Determining 'Material' Subsidiary Is Disclosed

The Company does not have any subsidiary and hence policy for determining the material subsidiary is not applicable.

(D) Details of Utilization of Funds Raised Through Initial Public Offer

A detailed table showing the utilization of funds raised through IPO forms part of the Board's report.

(E) Details of Non - Compliance:

Company was in default in compliance of provisions of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby Company is required to publish and submit the Quarterly Financial Results to Stock Exchange within 45 Days of the end of Each Quarter.

Notice was issued by BSE Limited dated 15.03.2021 bearing captioned subject "Fines as per SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/12 dated January 22, 2020" Accordingly under the notice, the company is fined with an amount of Rs. 1,40,000/- plus GST Rs. 25,200/- for default in compliance of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notice was also issued by National Stock exchange of India Limited dated 15.03.2021 bearing captioned subject "Notice for Non-Compliance with SEBI (LODR) Regulations, 2015 (Listing Regulations)". Accordingly, under the notice, the company is fined with an amount of Rs. 1,40,000/- plus GST Rs. 25,200/- for non-compliance/delay in Compliance of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company was listed on the stock exchanges on February 02, 2021. In its prospectus dated January 25, 2021, the listed entity has disclosed all the material information. Due to unintentional deferred treatment on applicability of regulation 33 as listing took place in the last quarter of the financial year under review, there is delay in compliance. The Company has already completed the Compliance on May 14, 2021. The matter is under review with Stock exchanges.

(F) Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at www.indigopaints.com/investors

(G) Compliance with Mandatory Requirements

Post listing of shares of the Company on February 02, 2021, your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

(H) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

Your Company actively monitors the foreign exchange movements and takes appropriate steps to reduce the risks associated with transactions in foreign currencies.

(I) Non-Convertible Debentures (NCDs) and Credit Rating

Your Company has not issued NCDs.

(J) The Company also fulfilled the following non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations:

- The Board: The Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
- Shareholder Rights: Details are given under the heading "Means of Communications".
- Modified opinion in Audit Report: During the year under review, there was no audit qualification in the Independent Auditor's Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Certificate, as required under Part C of Schedule V of Listing Regulations, received from M/s. Bapat & Gaikwad Associates, Pune, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the financial ending on March 31, 2021 from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on August 06, 2021 and is enclosed with this Report as Annexure II.

STATUTORY AUDITOR AND AUDIT FEES

M/s. SRBC & CO LLP, are the Statutory Auditors of your Company. The details of the total fees for all services paid by the Company to the Statutory Auditors are as follows:

(Rs. in Lakhs)

Type of Service	FY 2020-21	FY 2019-20
Audit Fees*	28.50	27.00
Others	-	-
Total	28.50	27.00

* Includes Audit and Audit-related services on a consolidated basis.

The Audit Fees paid to the auditors for the financial year ended March 31, 2021 is covered separately in the Notes to Accounts.

DISCLOSURE UNDER SEXUAL HARASSMENT

Your Company has constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints. The Constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Committee includes –

Name of Directors	Designation
Ms. Nupur Garg	Chairperson
Ms. Sakshi Vijay Chopra	Member
Mr. Narayanankutty Kottiedath Venugopal	Member
Ms. Divyanshikha	Member

The details of sexual harassment complaints for the year ended March 31, 2021 are furnished as under:

Particulars	No. of Complaints
Number of complaints filed during the financial year	0
Number of complaints disposed of during the financial year	0
Number of complaints pending as on the end of the financial year	0

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

The Managing Director and Chief Financial Officer of the Company have given annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and the said certificate is annexed with this report in Annexure IV.

The Managing Director and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the Listing regulations.

REPORT ON CORPORATE GOVERNANCE

This Chapter read together with the "Annexure to Corporate Governance", constitutes the Compliance Report on Corporate Governance for 2020-21.

For and on behalf of Indigo Paints Limited
(formerly Indigo Paints Private Limited)

Mr. Hemant Kamala Jalan

Chairman and Managing Director
 DIN: 00080942

Place: Pune
 Date: August 06, 2021



Annexure I

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2021.

Hemant Kamala Jalan

Chairman and Managing Director

DIN: 00080942

Place: Pune

Date: August 06, 2021

Annexure II**Certificate as required under Part C of Schedule V of Listing Regulations- Regulation 34-Annual Report****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members of
Indigo Paints Limited
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road, Pune-411045, Maharashtra.

Dear Sir,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indigo Paints Limited having CIN U24114PN2000PLC014669 and having registered office at Indigo Tower, Street-5, Pallod Farm-2, Baner Road Pune MH 411045 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below at the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No	Name of Directors	DIN	Date of appointment in the Company
1.	Ravi Nigam	00024577	28/03/2019
2.	Hemant Kamala Jalan	00080942	28/03/2000
3.	Anita Hemant Jalan	00085411	28/03/2000
4.	Narayanankutty Kottiedath Venugopal	00296465	24/02/2016
5.	Sunil Badriprasad Goyal	00503570	13/11/2014
6.	Ravi Shankar Venkataraman Ganapathy Agraharam	02604007	11/03/2020
7.	Praveen Kumar Ramniranjan Tripathi	03154381	13/11/2014
8.	Nupur Garg	03414074	01/06/2020
9.	Sakshi Vijay Chopra	07129633	10/10/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bapat Gaikwad & Associates,

Company Secretaries

Tejas Ravindra Bapat

Partner

M. No.: A24639

CP No.: 8588

UDIN: A024639C000743973

Date: August 06, 2021

Place: Pune



Annexure III

CERTIFICATE ON CORPORATE GOVERNANCE BY PRACTICING COMPANY SECRETARIES

To,
The Members of
Indigo Paints Limited
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road, Pune- 411045, Maharashtra.

We have examined the compliance of the conditions of Corporate Governance by **Indigo Paints Limited** ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para- C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended on March 31, 2021.

We further state that this certificate 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 Bapat Gaikwad & Associates,
Company Secretaries

Tejas Ravindra Bapat
Partner
M. No.: A24639
CP No.: 8588
UDIN: A024639C000743995

Date: August 06, 2021
Place: Pune

Annexure IV**COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

To
The Members,
INDIGO PAINTS LIMITED
(formerly known as Indigo Paints Private Limited)

Dear Sir/Madam,

Sub: Compliance Certificate for the year ended March 31, 2021 – Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

In compliance with Regulation 17 (8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), it is certified that –

- A. We have reviewed financial statements and the cash flow statement for the year 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 Company's affairs and comply 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 Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) there were no significant changes in accounting policies during the year; and
 - (3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

Hemant Jalan
Chairman and Managing
Director
DIN: 00080942

Chetan Bhalchandra Humane
Chief Financial Officer

Place: Pune
Date: August 06, 2021

Business Responsibility Report (BRR)

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Section A - GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN)	U24114PN2000PLC014669
2.	Name of the Company	Indigo Paints Limited
3.	Registered Office and Corporate Office	Indigo Tower, Street-5, Pallod Farm-2, Baner Road Pune -411045
4.	Website	www.indigopaints.com
5.	E-mail Id	secretarial@indigopaints.com
6.	Financial Year reported	April 01, 2020 to March 31, 2021.
7.	Sections that the Company is engaged in (Industrial Activity code-wise)	Name and description of main product / services: Manufacture of paints, varnishes and similar coatings, printing ink and mastics NIC code of the product / service: 202
8.	List three key products/services that the Company manufactures/ provides (as in Balance Sheet)	1. Manufacturing of Water based Paints 2. Manufacturing of Solvent based Paints 3. Manufacturing of Powder based Paints
9.	Locations where business activity is undertaken by the Company	1. Manufacturing Plants – 4 2. Sales Depots/Offices – 44 3. Registered office & Head office – Indigo Tower, Street 5, Pallod Farm 2, Baner Road, Pune- 411045
10.	Markets served by the Company - Local/State/ National/ International	Your Company serves the National market in India which includes all States and Union Territories in India. Additionally, your Company also serves the markets in Bhutan.

Section B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (As on March 31, 2021)	Rs. 4,756.90 Lakhs
2.	Total Turnover	Rs. 72,332.47 Lakhs
3.	Total Profit after Taxes	Rs. 7,085.01 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR)	Rs. 63.79 Lakhs
5.	As percentage of Profit after taxes	Refer Annual Report on CSR annexed to the Directors Report.
6.	List of activities in which Corporate Social Responsibility (CSR) expenditures have been incurred.	Refer Annual Report on CSR annexed to the Directors Report.

Section C - OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

No.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)?

NA.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No.

Section D - BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of Director/Directors responsible for the implementation of the BR policy/policies

Sr. No.	Particulars	Details
1.	DIN	00080942
2.	Name	Hemant Kamala Jalan
3.	Designation	Chairman and Managing Director

b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	NA
2.	Name	Chetan Bhalchandra Humane
3.	Designation	Chief Financial Officer
4.	Telephone Number	020- 66814300
5.	E-Mail ID	secretarial@indigopaints.com

2. Principle-wise (as per National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business {NVGs}) BR policy/policies (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant Stakeholders? (Refer Note 1)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		The content of the policies as articulated by the Company are in compliance with the applicable regulatory requirements and standards.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/CEO/ appropriate Board of Directors?					Y				
5.	Does the Company have a specified Committee of the Board/Director/ Official to oversee the implementation of the policy?					Y				
6.	Indicate the link for the policy to be viewed online?									www.indigopaints.com/investors
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?					Y				
8.	Does the Company have in-house structure to implement the policy/policies?					Y				
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?					Y				
10.	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?					Y				

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company.

Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has a BR Report which forms part of the Annual Report and is published annually. The Annual Report is uploaded on the website of the Company, which can be viewed at www.indigopaints.com/investors

to the philosophy of introducing products that are heavy-metal free and the Research and Development department continues its endeavors and its focus on development of new technology that reduces, if not eliminates, dependence on ecologically harmful raw materials.

Some of the achievements in this context are as below:

- Water-based coating for Interior & Exterior Woodwork.
- Premium Interior Emulsion with rich sheen and smooth finish.
- Polyurethane based single pack Floor coat.

Your company's Research & Development has set in place processes to ensure that new products launched are low in Volatile Organic Compounds and free from heavy metals. The use of all lead based raw materials in all our paints have been discontinued since more than half a decade.

Section E – PRINCIPLE-WISE PERFORMANCE

Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Your Company continues to maintain the highest standards of ethics in all spheres of its business activities. Apart from the Code of Conduct required as per various laws, rules and regulations from time to time, the Company additionally has in place the Code of Conduct for all its Directors and employees applicable across the Company. Your Company is committed in complying with the laws that apply to them, the Code of Conduct of the Company and particularly in assuring that business is conducted with integrity.

Your Company with the help of technology has in place a fully automated system for tracking and informing trades conducted by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Your Company also has in place the Code of Conduct for Insider Trading and Whistle Blower policy which are monitored on a regular basis.

Your Company has a zero tolerance for corruption and unfair trade practices and if they do occur, such instances are dealt at the highest level of your Company.

During the year under review, the Company had received 23 complaints from its shareholders which were promptly resolved. 3 complaints were outstanding as on March 31, 2021.

Principle 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

Your Company is committed to the development of products that are useful to its consumers and ensuring that it has minimum adverse effect on the environment. Your company has always stuck

New machinery introduced at plants are selected to ensure better efficiency and reduction in power consumption with a view to reduce the carbon footprint and hence better for the environment. All Finished Goods warehouses across the country are located strategically to efficiently receive material from the factory and distribute it to the customer. The distribution of goods from factory to the warehouse is done through the ERP (Enterprise Resource Planning) system which is tuned to reduce the freight cost and avoid build-up of non-moving inventory.

Your company sources majority of its transport requirements and packaging materials from local vendors. Wherever possible, the company, encourages suppliers to set up their manufacturing facilities near the factories.

Your Company is fully committed to take steps in minimizing the generation of waste from its factories and continuous efforts are made to recycle and reuse the waste. Effluent treatment plants are functional at the water-based manufacturing units for treatment and reuse of waste water. Dust collection machinery are used for dust-free environment inside the manufacturing facilities and the dust collected is reused to ensure zero wastage.

At the solvent-based manufacturing units washing and waste solvents are recycled and reused.

Principle 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

Safety is of paramount importance to the Company. All employees in the factories are provided with safety training as part of their induction programme. The safety induction programme is also a compulsory requirement for contract workforce before they are inducted into the Company. Training and Capability Building across organisation continued to be considered as a key element of Safety Processes.



Your Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation, especially at the shop-floor level.

Other details are mentioned below:

1. Total number of employees - 908
2. Number of employees hired on temporary/contractual/casual basis - 217
3. Number of permanent women employees - 28
4. Number of permanent employees who are differently abled - NIL
5. Do you have an employee association that is recognized by management? - Yes
6. Percentage of permanent employees that are members of recognized employee associations- 5.50%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - 0
8. Percentage of under-mentioned employees that were given safety and skill upgradation training in the previous year:
 1. Permanent employees - 40%
 2. Permanent women employees -90%
 3. Casual/temporary/contractual employees- 70%
 4. Employees with disabilities - NIL

Principle 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

Identifying the stakeholders and engaging with them is critical to the Company's CSR and Health, Safety and Environment (HS&E) policies. Your Company has broadly identified six groups covering both internal and external stakeholders as follows:

- Employees
- Local communities
- Regulatory authorities
- Customers
- Shareholders
- Dealers, suppliers and other business partners

Your company undertakes its CSR for overall betterment of the community with special emphasis on activities for the benefit of the poor and the needy segments of the society.

Your company has also initiated training programs for applicators to enhance their skills in collaboration with the Paints & Coatings Skill Council.

Your company endeavors to maintain a healthy stakeholder engagement, allow participation wherever possible and promote a collective decision-making process.

Principle 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS.

Your Company appreciates and believes that human rights are inherent, universal, indivisible and interdependent in nature. The principles of non-discrimination, zero tolerance to sexual harassment and human rights have been laid down in the Company's Code of Conduct.

All relevant stakeholders have to abide by the Code.

No complaint was received from stakeholders under the Code of Conduct.

Principle 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

Your Company's policy extends to all the employees of the Company. Your company is ISO 45001 certified and has a well laid out Occupational Health & Safety and Environmental Policy.

Your company understands its responsibility towards improving environmental parameters and has in place sustainable methods and practices to identify and reduce the carbon and waste footprint.

Your company has mechanisms in place to identify and assess potential environmental risks.

Your company has taken steps at various levels to identify and reduce the carbon footprint.

The manufacturing units of the Company follow Environment Management Systems (EMS) practices in all its activities through adoption of ISO system (ISO 14001). With the adoption of EMS, the management of the environmental programs are done in a comprehensive, systematic, planned and documented manner.

The steps taken on conservation of energy include:

- Highly Efficient rotor stator technology adopted in paint processing.

- Digital logic controller installation for Air compressor optimization.
- Use of Energy efficient motors in new plants.
- Use of efficient aluminum Air piping solution to reduce air loss.
- VFD installed in all the high HP motors.
- Installation of energy efficient LED lights for internal & external lighting.
- Use of screw type compressors resulting in energy savings.
- Development of energy efficient agitators in water-based emulsion mixing tanks, resulting in energy savings.
- Dry run protection relay for the pumps to eliminate the chances of damage of the pumps by stopping the pumps automatically if liquid is not available in the pump section.
- Fully automatic filling machines installed at water-base and solvent-base plants.
- Dust extraction systems with automatic dampers.

Emission/waste generated by the Company is within the permissible limits given by CPCB/SPCB.

Your Company has not received any show cause/legal notices from CPCB/SPCB during the financial year under review.

Principle 7 : BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

Your Company is the member of the Indian Paint Association (IPA) and recognizes the importance of engaging with the public and regulatory bodies in a responsible manner.

Your Company actively participates in the programs of the IPA and provides diligent inputs for the development of the industry as per global standards and best practices.

Principle 8 : BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Your Company actively engages in CSR activities for the overall development of the society and is a strong believer in the 'giving back more than consumed' principle. The CSR policy and HS&E policy are set up in the Company to support the functions.

In the year 2020-21, your Company has spent Rs. 63,79,000/- towards the CSR expenditure and strives to increase the expenditure in the forthcoming years to support such activities. The details of the same are given in the CSR report which forms an integral part of this Annual Report.

Principle 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.

Your Company is committed to transform its consumer experience through its finest products in the Paint Industry with respect to Quality, Reliability and Delivery. The Company has addressed all the customer grievances received during the last financial year.

All product information displayed by the Company adheres to and conforms to norms as mandated by law. Additionally, Product Information Sheets which are available with the dealers of the Company and on the Company website and also on the packaging of products.

Your Company through its on ground staff conducts regular surveys and takes feedback of customers regarding the quality of the product and services offered by the Company. Your company is also committed to fulfill the dynamic needs of its customer.

For and on behalf of Indigo Paints Limited
(formerly Indigo Paints Private Limited)

Mr. Hemant Kamala Jalan

Chairman and Managing Director

DIN: 00080942

Place: Pune

Date: August 06, 2021

FINANCIAL STATEMENTS



Independent Auditor's Report

To the Members of Indigo Paints Limited (Formerly known as Indigo Paints Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Indigo Paints Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then 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 us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards 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 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 audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) Revenue from contracts with Customer - Sale of goods</p> <p>Revenue is recognized when control of the goods is transferred to the customer, which is mainly upon delivery, on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives and returns (collectively 'discounts and rebates') i.e variable consideration given to the customers. An estimate of variable consideration payable to the customers is recorded as at the year-end.</p> <p>The terms of sales arrangements, including the timing of transfer of control, and the nature of discounts and rebate arrangements/schemes and historical experience, create complexities that require judgment in determining revenues. Considering the above factors; Revenue from contracts with customer, has been determined as a key audit matter.</p>	<p>(refer note 19 of the financial statements)</p> <p>Our audit procedures included, among others the following</p> <ul style="list-style-type: none"> We evaluated the Company's accounting policies for revenue recognition (including for discounts and rebates) and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'. We obtained an understanding, evaluated the design tested the operative effectiveness of the internal financial controls relating to revenue recognition process. We carried out analytical procedures on revenue recognised during the year to identify unusual variances We assessed management's computations for accrual of discounts and rebates and on a sample basis compared the accruals made with the approved schemes and underlying documents.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • We compared the historical trend of payments and reversal of discounts and rebates to provisions made to assess the current year accruals • Amongst others, we performed the following tests for a sample of transactions: <ul style="list-style-type: none"> - Read and verified supporting documentation for sales transactions recorded during the year which included invoices, good dispatch register, customer acceptances and shipping documents and other related documents. - Tested the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end. - Compared that the actual discounts and rebates in a respect of a particular scheme does not exceed their approval amount. • We read and assessed the relevant disclosures of Revenue from contracts with Customers made in the financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of

the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 is 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.

Those charged with governance 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 the 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 judgment 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 for the financial year ended March 31, 2021 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors

- is disqualified as on March 31, 2021 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in

its financial statements – Refer Note 32 to the financial statements;

- ii. The Company did 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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 21501160AAAABH3001

Place of Signature: Pune

Date: May 14, 2021

Annexure 1 referred to in paragraph 1 under the heading “Reporting on Other Legal and Regulatory Requirements” of our report of even date

Re: Indigo Paints Limited (‘the Company’)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- (c) Read with note 3.1(ii) of financial statements, according to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, related to the manufacture of paints, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, profession tax, income-tax, custom duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases of professional tax.
- (b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees’ state insurance, income-tax, custom duty, goods and services tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the information and explanations given to us, there are no dues to provident fund, employees’ state insurance, profession tax, income tax, services tax, excise duty, custom duty, goods and services tax, cess and other statutory dues which have not been deposited on account of any dispute except for the matters as below:

Name of Statute	Nature of dues	Amount of demand# (Rs.)	Period to which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	21,52,610	FY 2009-10	Income Tax Appellate Tribunal
		1,94,390 (net of Rs. 34,500 paid under protest)	FY 2012-13	Commissioner of Income-tax (Appeals), Cochin
The Central Excise Act, 1944	Excise duty, Service tax and penalty	5,29,785 (net of Rs. 42,550 paid under protest)	FY 2014-15	Commissioner of Central Excise (Appeals), Cochin
The Kerela Value Added Tax Act, 2003	Value added tax	13,35,308	FY 2014-15	State tax officer, Ernakulam
		87,000	FY 2016-17	Kerala Value Added Tax Appellate Tribunal, Ernakulam
The Kerala Building Tax Act, 1975	Building Tax	22,75,200	FY 2019-20	The Tahasildar, Kanayannur Taluk, Kanayannur, Kochi

Excluding interest and penalty thereon

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank and financial institution. According to the information and explanations given by the management, the Company did not have any outstanding dues in respect of government or debenture holders during the year.
- (ix) In our opinion and according to information and explanations given by the management and audit procedures performed by us, monies raised by the company by way of initial public offer and term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 2,500,000,000 of which Rs. 2,500,000,000 was outstanding at the end of the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 21501160AAAABH3001

Place of Signature: Pune

Date: May 14, 2021

Annexure 2 referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date

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

We have audited the internal financial controls with reference to financial statements of Indigo Paints Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 (“ICAI”). 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 the 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 with reference to these financial statements 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”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, 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 with reference to these financial statements to future periods are

subject to the risk that the internal financial control with reference to these financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 21501160AAAABH3001

Place of Signature: Pune

Date: May 14, 2021

Balance Sheet

as at March 31, 2021

Particulars	Note No.	(Rs. in Lakhs)	
		As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3.1	18,822.99	14,203.04
Capital work in progress	3.1	311.54	108.89
Right-of-use assets	3.2	3,009.14	2,779.51
Goodwill	3.3	3,055.20	3,055.20
Other intangible assets	3.3	46.10	37.14
Financial assets			
a) Loans	5	87.99	548.09
b) Other non-current financial assets	6	1,509.12	229.91
Income tax assets (net)		-	17.37
Other non-current assets	10	34.41	93.66
		26,876.49	21,072.81
Current assets			
Inventories	7	9,467.47	7,676.42
Financial assets			
a) Investments	4	4,967.93	2,083.71
b) Trade receivables	8	12,119.16	10,447.43
c) Cash and cash equivalents	9.1	4,479.89	568.43
d) Bank balances other than cash and cash equivalents	9.2	21,351.16	-
e) Loans	5	366.50	31.58
f) Other financial assets	6	725.14	10.20
Other current assets	10	762.58	305.36
		54,239.83	21,123.13
TOTAL		81,116.32	42,195.94
Equity and Liabilities			
Equity			
a) Equity share capital	11.1	4,756.90	2,902.22
b) Instruments in the nature of equity	11.2	-	1,830.42
c) Other equity	12	51,592.07	14,972.80
		56,348.97	19,705.44
Non-current liabilities			
Financial liabilities			
a) Borrowings	13.1	-	2,471.85
b) Lease liabilities	36	549.58	281.99
Other non-current liabilities	16	429.65	384.55
Provisions	17	252.53	130.00
Deferred tax liabilities (net)	18	695.22	696.69
		1,926.98	3,965.08
Current liabilities			
Financial liabilities			
a) Borrowings	13.2	-	1,452.91
b) Lease liabilities	36	325.13	344.10
c) Trade payables - total outstanding dues of:			
- micro and small enterprises	14	5,039.65	2,589.59
- creditors other than micro and small enterprises	14	13,517.46	11,269.35
d) Other current financial liabilities	15	1,524.24	1,939.29
Other current liabilities	16	1,191.29	561.44
Provisions	17	167.93	106.11
Liabilities for income tax (net)		1,074.67	262.63
		22,840.37	18,525.42
TOTAL		81,116.32	42,195.94

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Trideval Khandelwal**
Partner
Membership number: 501160

Place: Pune
Date: May 14, 2021

For and on behalf of the Board of Directors of **Indigo Paints Limited**
CIN : U24114PN2000PLC014669

Hemant Jalan
Chairman & Managing Director
DIN: 00080942

Sujoy Bose
Company Secretary & Compliance Officer
A - 43755

Place: Pune
Date: May 14, 2021

Anita Jalan
Director
DIN: 00085411

Chetan Humane
Chief Financial Officer
PAN: ABGPH4376K

Statement of Profit and Loss

for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	19	72,332.47	62,479.20
Other income	20	359.37	164.42
Total income (I)		72,691.84	62,643.62
Expenses			
Cost of raw materials and components consumed	21	36,394.68	32,113.19
Purchase of traded goods		1,783.48	1,085.64
(Increase) in inventories of finished goods and traded goods	22	(526.46)	(1,002.71)
Employee benefits expense	23	4,831.28	4,198.98
Finance costs	24	381.31	559.45
Depreciation and amortization expense	25	2,438.95	1,960.99
Other expenses	26	17,597.88	16,985.40
Total expenses (II)		62,901.12	55,900.94
Profit before tax (III) = (I - II)		9,790.72	6,742.68
Tax expense			
Current tax	18	2,555.37	1,471.34
Adjustment of tax relating to earlier periods		(84.85)	-
Deferred tax	18	235.19	489.86
Total tax expense		2,705.71	1,961.20
Profit for the year, after tax		7,085.01	4,781.48
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement (loss) on defined benefit plans		(14.53)	(13.64)
Income tax effect		3.66	3.43
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(10.87)	(10.21)
Total comprehensive income for the year, net of tax		7,074.14	4,771.27
Earnings per equity share (face value Rs. 10)			
Computed on the basis of profit for the year	27		
- Basic (Amount in Rs.)		15.55	10.61
- Diluted (Amount in Rs.)		15.54	10.49

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

per **Tridevlal Khandelwal**
 Partner
 Membership number: 501160

Place: Pune
 Date: May 14, 2021

For and on behalf of the Board of Directors of **Indigo Paints Limited**
 CIN :U24114PN2000PLC014669

Hemant Jalan
 Chairman & Managing Director
 DIN: 00080942

Sujoy Bose
 Company Secretary & Compliance Officer
 A - 43755

Place: Pune
 Date: May 14, 2021

Anita Jalan
 Director
 DIN: 00085411

Chetan Humane
 Chief Financial Officer
 PAN: ABGPH4376K

Statement of Changes in Equity

for the year ended March 31, 2021

a. Equity Share Capital:

Equity shares of Rs. 10 each issued, subscribed and fully paid

(Rs. in Lakhs)

Particulars	No. of Shares	Amount
As at April 1, 2019	2,88,51,875	2,885.19
Issue of shares on exercise of stock options (refer note 11.1 and 30)	1,70,300	17.03
As at March 31, 2020	2,90,22,175	2,902.22
Issue of share capital (refer note 11.1)	20,13,422	201.34
Issue of shares on exercise of stock options (refer note 11.1 and 30)	4,55,325	45.53
Conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) to equity shares (refer note 11.1)	1,60,78,075	1,607.81
As at March 31, 2021	4,75,68,997	4,756.90

b. Instruments in the nature of equity

Issued, subscribed and fully paid up 0.001% CCCPS

(Rs. in Lakhs)

Particulars	No. of Shares	Amount
As at April 1, 2019	1,60,78,075	1,830.42
Issued during the year	-	-
As at March 31, 2020	1,60,78,075	1,830.42
Less: Conversion of CCCPS to equity shares (refer note 11.2)	(1,60,78,075)	(1,830.42)
As at March 31, 2021	-	-

c. Other Equity (also refer note 12)

(Rs. in Lakhs)

Particulars	Attributable to equity shareholders				Total other equity
	Reserves and surplus				
	Securities premium	General reserves	Employee stock option reserve	Retained earnings	
Balance as at April 1, 2019	9,557.28	43.78	203.77	225.99	10,030.82
Profit for the year	-	-	-	4,781.48	4,781.48
Other comprehensive income	-	-	-	(10.21)	(10.21)
Exercise of share options (refer note 12 and 30)	222.00	-	(62.20)	-	159.80
Share-based payments (refer note 23 and 30)	-	-	10.94	-	10.94
Dividend on preference shares	-	-	-	(0.02)	(0.02)
Tax on preference dividend	-	-	-	(0.01)	(0.01)
Balance as at March 31, 2020	9,779.28	43.78	152.51	4,997.23	14,972.80

Statement of Changes in Equity (contd.)

for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Attributable to equity shareholders				Total other equity
	Reserves and surplus				
	Securities premium	General reserves	Employee stock option reserve	Retained earnings	
Balance as at April 1, 2020	9,779.28	43.78	152.51	4,997.23	14,972.80
Profit for the year	-	-	-	7,085.01	7,085.01
Other comprehensive income	-	-	-	(10.87)	(10.87)
Exercise of share options (refer note 12 and 30)	504.78	-	(141.72)	-	363.06
Share-based payments (refer note 23 and 30)	-	-	42.08	-	42.08
Conversion of CCCPS into equity shares	222.61	-	-	-	222.61
Issue of share capital	29,772.09	-	-	-	29,772.09
Transaction costs (refer note 11.1)	(854.71)	-	-	-	(854.71)
Dividend on preference shares	-	-	-	-	-
Tax on preference dividend	-	-	-	-	-
Balance as at March 31, 2021	39,424.05	43.78	52.87	12,071.37	51,592.07

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Tridevjal Khandelwal**
Partner
Membership number: 501160

Place: Pune
Date: May 14, 2021

For and on behalf of the Board of Directors of **Indigo Paints Limited**
CIN :U24114PN2000PLC014669

Hemant Jalan
Chairman & Managing Director
DIN: 00080942

Sujoy Bose
Company Secretary & Compliance Officer
A - 43755

Place: Pune
Date: May 14, 2021

Anita Jalan
Director
DIN: 00085411

Chetan Humane
Chief Financial Officer
PAN: ABGPH4376K

Statement of Cash Flows

for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	9,790.72	6,742.68
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	2,438.95	1,960.99
Employee stock option expenses	42.08	10.94
Provision for impairment of financial assets (net)	70.07	28.44
Loss/(gain) on disposal of property, plant and equipment (net)	2.90	(8.08)
Finance costs	381.31	559.45
Fair value gain on financial instruments at fair value through profit or loss	(165.90)	(113.24)
Interest income	(158.33)	(17.08)
Operating profit before working capital changes	12,401.80	9,164.10
Working capital adjustments		
Increase in trade payables and other financial liabilities	4,698.17	229.60
Increase/(decrease) in other liabilities	674.95	(153.45)
Increase in provisions	157.29	225.90
(Increase) in trade receivables	(1,741.80)	(91.20)
(Increase) in inventories	(1,791.05)	(743.84)
(Increase) in other assets	(457.22)	(15.30)
(Increase)/decrease in other financial assets	(290.91)	0.90
Decrease /(increase) in loans	125.18	(140.05)
Cash generated from operating activities	13,776.41	8,476.66
Direct taxes paid (net of refunds)	(1,641.11)	(1,242.44)
Net cash flow from operating activities (A)	12,135.30	7,234.22
Cash flows (used in) investing activities		
Purchase of property, plant and equipment and intangible assets including movement in CWIP, capital advances and capital creditors	(6,604.66)	(6,140.16)
Proceeds from sale of property, plant and equipment	2.28	8.08
Purchase of short term investments	(7,300.00)	-
Proceeds from sale of short term investments	4,581.68	-
Investments in bank deposits (having original maturity of more than three months)	(22,500.00)	-
Interest received	27.96	5.27
Net cash flow (used in) investing activities (B)	(31,792.74)	(6,126.81)

Statement of Cash Flows (contd.)

for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows (used in) /from financing activities		
Proceeds from issue of share capital (including Securities Premium)	29,549.40	-
Proceeds from exercise of share options	408.59	176.83
Transaction costs on issue of shares	(641.20)	-
(Repayment of) short-term borrowings (net)	(1,452.91)	(1,017.68)
Proceeds from long-term borrowings	-	(1,447.63)
Repayment of long-term borrowings	(3,550.82)	1,459.77
Payment of principal portion of lease liabilities	(411.11)	(425.40)
Interest paid	(333.05)	(469.08)
Net cash flow (used in)/ from financing activities (C)	23,568.90	(1,723.19)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	3,911.46	(615.78)
Cash and cash equivalents at the beginning of the year	568.43	1,184.21
Cash and cash equivalents at the end of the year	4,479.89	568.43
Components of cash and cash equivalents		
Cash on hand	11.72	9.52
Balances with banks		
- on current accounts	1,071.42	558.91
- on cash credit accounts (surplus)	885.81	-
- deposits with original maturity of less than three months	2,510.94	-
Total cash and cash equivalents (refer note 9.1)	4,479.89	568.43

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S R B C & CO LLP**
 Chartered Accountants
 ICAI Firm Registration No: 324982E/E300003

per **Tridevlal Khandelwal**
 Partner
 Membership number: 501160

Place: Pune
 Date: May 14, 2021

For and on behalf of the Board of Directors of **Indigo Paints Limited**
 CIN :U24114PN2000PLC014669

Hemant Jalan
 Chairman & Managing Director
 DIN: 00080942

Sujoy Bose
 Company Secretary & Compliance Officer
 A - 43755

Place: Pune
 Date: May 14, 2021

Anita Jalan
 Director
 DIN: 00085411

Chetan Humane
 Chief Financial Officer
 PAN: ABGPH4376K

Notes to the Financial Statements

for the year ended March 31, 2021

1. Corporate information

Indigo Paints Limited (formerly known as Indigo Paints Private Limited) ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on February 02, 2021. The registered office of the company is located at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune-411045, Maharashtra, India.

The Company is engaged in manufacture and sale of decorative paints and operates with its manufacturing facilities in Jodhpur (Rajasthan), Kochi (Kerala) and Pudukkottai (Tamil Nadu). The CIN of the Company is U24114PN2000PLC014669.

The financial statements were approved for issue in accordance with a resolution of the directors on May 14, 2021.

2.1 Significant accounting policies

(A) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- (i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and
- (ii) Employee stock option.

(B) Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle

- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rate at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates

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at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based

on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement as well as for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because

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it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2.

Sale of goods

Revenue from sale of all types of goods is recognised at the point in time when control of the asset is transferred to the customer, based on delivery terms. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return the goods within a specified period. The Company also provides retrospective volume rebates to certain customers once the quantity of goods purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

(i) Rights of return

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price).

(ii) Volume rebates

The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

The disclosures of significant estimates and assumptions relating to the estimation of variable consideration for returns and volume rebates are provided in Note 2.2.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current

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applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company applies the provisions of Appendix C to Ind AS 12 - Uncertain tax treatment to determine the liability if any. If it is probable (more likely than not) that a tax treatment will be accepted, no adjustment is made. If the company concludes that the tax treatment is not probable to be accepted by the tax authorities, it is reflected in the income tax accounting (as additional liability or higher rate) by using the approach- most likely amount or the expected value approach.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Services tax paid, except:

- (i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

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- (ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

g. Property, plant and equipment (including Capital work in progress)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. It comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Assets	Useful lives (in years) prescribed in Schedule II of the act (Single shift basis)
Factory building	30
Office building	60
Plant and machinery	5 to 15
Furniture and fixture	10
Electrical installation and equipment	10
Office equipment's	10
Computers and peripherals	3
Vehicles	8

Leasehold improvements are depreciated on a straight-line basis over the period of the lease or useful life whichever is lower. The lease term is five years.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	Finite (10 years)	Amortised on a straight-line basis over the period of the computer software	Acquired
Goodwill	Infinite	No amortisation	Acquired

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold land – upto 99 years
- Building – upto 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes

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to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date with no option for extension and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and the estimated costs necessary to make the sale.

l. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the

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impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other

than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The obligations

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are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

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- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- (iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and other receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes to the Financial Statements

for the year ended March 31, 2021

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, a Company is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss. This amount is reflected in a separate line in

the Statement of profit and loss as an impairment gain or loss. The balance sheet presentation is described below:

Financial assets measured as at amortized cost and contractual revenue receivables. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Notes to the Financial Statements

for the year ended March 31, 2021

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original

maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the Company.

s. Contingent liability

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying

Notes to the Financial Statements

for the year ended March 31, 2021

disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management
- Financial risk management objectives and policies
- Sensitivity analyses disclosures

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable

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for the year ended March 31, 2021

market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a DCF model for Employee Share Option Plan. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 30.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon

the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets if available, otherwise, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instrument.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Company developed a model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to a volume threshold. Determining whether a customer will be likely

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for the year ended March 31, 2021

entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Company applied a model for estimating expected volume rebates for contracts. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Company.

The Company updates its assessment of expected returns and volume rebates annually and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. Refer note 19 for further details.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

2.3 Changes in accounting policies and disclosures

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions:

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent

concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.

Notes to the Financial Statements

for the year ended March 31, 2021

3.1 Property, plant and equipment (PPE)

[Rs. in Lakhs]

Particulars	Freshhold land [refer note (ii)]	Building	Plant and machinery [refer note (i)]	Furniture and fixture	Office and equipment	Leasehold improvements	Electrical installations and equipments	Computers and peripherals	Vehicles	Total	Capital Work in progress
Deemed cost											
At April 01, 2019	529.58	3,426.01	5,228.30	145.89	81.45	34.60	479.70	25.55	54.58	10,005.66	439.69
Additions	-	3,418.92	3,329.89	99.64	70.15	-	192.26	9.47	-	7,120.33	76.60
Disposals/transfers	-	(462.06)	(10.70)	-	-	-	(17.31)	(0.13)	-	(490.20)	(407.40)
At March 31, 2020	529.58	6,382.87	8,547.49	245.53	151.60	34.60	654.65	34.89	54.58	16,635.79	108.89
Additions	909.62	2,542.76	2,997.41	163.77	53.85	-	14.40	8.13	-	6,689.94	7,257.28
Disposals/transfers	-	-	(3.16)	-	(2.83)	-	-	-	-	(5.99)	(7,054.63)
At March 31, 2021	1,439.20	8,925.63	11,541.74	409.30	202.62	34.60	669.05	43.02	54.58	23,319.74	311.54
Depreciation											
At April 1, 2019	-	447.02	795.50	22.21	4.33	18.33	57.70	7.52	9.76	1,362.37	-
Charge for the year	-	222.83	1,204.27	26.17	9.68	9.17	68.26	10.42	9.78	1,560.58	-
Disposals/transfers	-	(462.06)	(10.70)	-	-	-	(17.31)	(0.13)	-	(490.20)	-
At March 31, 2020	-	207.79	1,989.07	48.38	14.01	27.50	108.65	17.81	19.54	2,432.75	-
Charge for the year	-	275.94	1,629.22	37.57	16.59	7.10	79.88	9.53	9.21	2,065.04	-
Disposals/transfers	-	-	(1.01)	-	(0.03)	-	-	-	-	(1.04)	-
At March 31, 2021	-	483.73	3,617.28	85.95	30.57	34.60	188.53	27.34	28.75	4,496.75	-
Net block											
At March 31, 2020	529.58	6,175.08	6,558.42	197.15	137.59	7.10	546.00	17.08	35.04	14,203.04	108.89
At March 31, 2021	1,439.20	8,441.90	7,924.46	323.35	172.05	-	480.52	15.68	25.83	18,822.99	311.54

Notes

- Plant and machinery includes equipments installed at customers location given under operating lease arrangements (refer note 35). The carrying value of such assets are as below:

Particulars	Opening Gross block	Addition	Deletion	Closing Gross block	Opening accumulated depreciation	Addition	Deletion	Closing accumulated depreciation	Net block
At March 31, 2020	2,954.17	1,535.40	-	4,489.57	480.92	784.49	-	1,265.41	3,224.16
At March 31, 2021	4,489.57	1,707.45	-	6,197.02	1,265.41	1,069.81	-	2,335.22	3,861.80
- With respect to immovable properties aggregating Rs. 570.47 lakhs (March 31, 2020: Rs. 30.54 lakhs) acquired during the year and under Scheme of Amalgamation in earlier years, registration of title deeds in name of the Company is in progress.
- For details of borrowing cost capitalised, refer note 24.
- For details on restriction on asset and rate of capitalisation used, refer note 13.1.
- The Capital work in progress (CWIP) consists of construction of building and expenditure towards plant and machinery at its manufacturing facilities.

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3.2 Right of use assets

(Rs. in Lakhs)			
Particulars	Leasehold land	Leased Building	Total
Cost			
At April 1, 2019	2,229.98	1,207.93	3,437.91
Additions	24.63	33.22	57.85
Disposals/transfers	-	-	-
At March 31, 2020	2,254.61	1,241.15	3,495.76
Additions	-	642.02	642.02
Disposals/transfers	-	(139.46)	(139.46)
At March 31, 2021	2,254.61	1,743.71	3,998.32
Depreciation			
At April 1, 2019	12.89	311.05	323.94
Charge for the year	22.95	369.36	392.31
Disposals/transfers	-	-	-
At March 31, 2020	35.84	680.41	716.25
Charge for the year	22.89	342.42	365.31
Disposals/transfers	-	(92.38)	(92.38)
At March 31, 2021	58.73	930.45	989.18
Net block			
At March 31, 2020	2,218.77	560.74	2,779.51
At March 31, 2021	2,195.88	813.26	3,009.14

3.3 Intangible assets and goodwill

(Rs. in Lakhs)			
Particulars	Goodwill	Computer software	Total intangible assets
Deemed cost			
At April 1, 2019	3,055.20	50.85	3,106.05
Additions	-	2.10	2.10
Disposals/transfers	-	-	-
At March 31, 2020	3,055.20	52.95	3,108.15
Additions	-	17.56	17.56
Disposals/transfers	-	-	-
At March 31, 2021	3,055.20	70.51	3,125.71
Amortization			
At April 1, 2019	-	7.71	7.71
Charge for the year	-	8.10	8.10
Disposals/transfers	-	-	-
At March 31, 2020	-	15.81	15.81
Charge for the year	-	8.60	8.60
Disposals/transfers	-	-	-
At March 31, 2021	-	24.41	24.41
Net block			
At March 31, 2020	3,055.20	37.14	3,092.34
At March 31, 2021	3,055.20	46.10	3,101.30

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for the year ended March 31, 2021

3.4 Impairment testing of goodwill

As at the March 31, 2021, the carrying amount of goodwill is Rs. 3,055.20 lakhs (deemed cost as at April 01, 2019). Such goodwill arose as part of the business purchase and merger of Hi-Build Coating Private Limited (HBC) pursuant to the composite scheme of amalgamation approved by National Company Law Tribunal ("NCLT") vide its order dated March 02, 2017 (Appointed date: April 01, 2016). For the purpose of impairment testing of Goodwill, as per the business plan of purchase, the entire business of the Company is considered as single Cash Generating Unit (CGU), as post business combination the entire operations of the Company has been integrated for synergies, includes aligning of manufacturing facilities, logistic management, technology exchange, etc.

The Company performs impairment testing annually at the same time. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five year period. The projected cash flows have been updated to reflect the demand changes for products pursuant to Covid-19 pandemic. The pre-tax discount rate applied to cash flow projections for impairment testing during March 31, 2021: 10% (March 31, 2020: 10%). Based on the cash flow projections, discount rate and other assumptions including gross margin, sales discount, market share, volume growth, etc it was concluded that the value in use exceeds the carrying value of goodwill and overall CGU. As a result of the analysis, no impairment of the Goodwill was required. As at March 31, 2021, there were no indicators of impairment noted by management.

4 Current investments

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments at fair value through profit or loss (FVTPL)		
Investments in mutual funds (quoted funds):		
Aditya Birla Sun Life - Short Term Regular Fund - Growth	-	421.74
Franklin Templeton - India Income Opportunities Fund - Growth*	-	402.52
HDFC Corporate Bond Fund Direct Plan - Growth option	691.64	-
HDFC Corporate Bond Fund Regular Plan - Growth	1,025.84	-
HDFC Liquid Fund -Regular Plan-Growth	801.47	-
HDFC Short Term Plan - Growth	-	427.37
ICICI Prudential - Credit Risk Regular Fund - Growth	-	429.36
ICICI Prudential Corporate Bond Fund Direct - Growth	1,033.81	-
IDFC Bond Fund Short Term Plan - Direct - Growth	686.06	-
L&T Short Term Bond Fund - Growth	729.11	-
Larsen & Toubro - Credit Risk Regular Fund - Growth	-	402.72
Total current investments	4,967.93	2,083.71
Aggregate amount of quoted investments and market value thereof	4,967.93	2,083.71

Also refer note 37 for determination of fair values.

Notes to the Financial Statements

for the year ended March 31, 2021

Details of quoted investments

Particulars	Face value	Units (in lakhs)	
		As at March 31, 2021	As at March 31, 2020
Investments in mutual funds (quoted funds):			
Aditya Birla Sun Life - Short Term Regular Fund - Growth	10	-	12.71
Franklin Templeton - India Income Opportunities Fund - Growth*	10	16.54	17.96
HDFC - Corporate Bond Fund Direct Plan - Growth option	10	27.46	-
HDFC Corporate Bond Fund Regular Plan - Growth	10	41.15	-
HDFC Liquid Fund -Regular Plan-Growth	10	0.20	-
HDFC Short Term Plan - Growth	10	-	25.67
ICICI Prudential - Credit Risk Regular Fund - Growth	10	-	19.74
ICICI Prudential - Corporate Bond Fund Direct - Growth	10	43.98	-
IDFC Bond Fund Short Term Plan - Direct - Growth	10	14.64	-
L&T Short Term Bond Fund - Growth	10	34.99	-
Larsen & Toubro - Credit Risk Regular Fund - Growth	10	-	18.62

*units represents segregated portfolio.

5 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-current		
At amortized cost		
Security deposits	87.99	548.09
Total non-current loans	87.99	548.09
Current		
At amortized cost		
Security deposits	366.50	31.58
Total current loans	366.50	31.58
Sub-classification of above		
Loans receivable considered good - Secured	-	-
Loans receivable considered good - Unsecured	454.49	579.67
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Less: Provision for impairment	-	-
	454.49	579.67

No loans and advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person.

Notes to the Financial Statements

for the year ended March 31, 2021

6 Other financial assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current		
Bank deposits with remaining maturity of more than twelve months	1,509.12	229.91
Total other non-current financial assets	1,509.12	229.91
Current		
Balance with statutory/government authorities	10.20	10.20
Other financial assets*#	714.94	-
Total other current financial assets	725.14	10.20

*includes receivable on account of share of IPO expenses for Rs.290.91 lakhs (March 31, 2020 : Rs. Nil) from selling shareholders (including Rs. 226.22 lakhs from Chairman and Managing Director of the Company). Refer note 29.

includes Rs. 424.03 lakhs (March 31, 2020 : Rs. Nil) receivable on account of sales proceeds on IPO. The balances are held in IPO escrow account. Subsequent to year end, Rs. 391.02 lakhs has been refunded back to the Company.

7 Inventories (valued at lower of cost and net realizable value)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Raw materials and components*	3,846.15	2,581.56
Finished goods#	5,247.35	4,830.35
Traded goods#	373.97	264.51
Total inventories	9,467.47	7,676.42

*includes goods in transit Rs. 179.64 lakhs (March 31, 2020: Rs. 156.60 lakhs)

#includes sales in transit Rs. 274.50 lakhs (March 31, 2020: Rs. 168.07 lakhs)

Also refer note 13 for hypothecation of inventories.

For the year ended March 31, 2021 Rs. 11.31 lakhs (March 31, 2020 Rs. 10.86 lakhs) was recognised (net of reversals) as an expense for finished goods inventories carried at net realisable value. These were recognised as expense during the year and included in cost of raw materials and components consumed in the Statement of profit and loss.

8 Trade receivables

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables	12,119.16	10,447.43
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	12,070.61	10,388.92
Trade receivables which have significant increase in credit risk	189.55	178.51
Trade receivables - credit impaired	-	-
	12,260.16	10,567.43

Notes to the Financial Statements

for the year ended March 31, 2021

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(48.16)	(53.71)
Trade receivables which have significant increase in credit risk	(92.84)	(66.29)
Provision for impairment	-	-
	(141.00)	(120.00)
	12,119.16	10,447.43

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non interest bearing and generally on terms of 30 to 90 days.

Also refer note 13 for details of hypothecation of trade receivables.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	120.00	150.00
Provision made during the year	70.07	28.44
Utilized /reversed during the year	(49.07)	(58.44)
At the end of the year	141.00	120.00

9 Cash and bank balances

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
9.1 Cash and cash equivalents		
Balance with Banks		
- on current accounts#	1,071.42	558.91
- on cash credit accounts (surplus)	885.81	-
- deposits with original maturity of less than three months@	2,510.94	-
Cash on hand	11.72	9.52
Total cash and cash equivalents	4,479.89	568.43
9.2 Bank balances other than cash and cash equivalents*		
Other bank balances		
Deposits with original maturity of more than three months but remaining maturity of less than twelve months@	21,351.16	-
Deposits with remaining maturity of more than twelve months@	1,509.12	229.91
Less: Amount disclosed under other financial assets (refer note 6)	(1,509.12)	(229.91)
Total bank balances other than cash and cash equivalents	21,351.16	-
	25,831.05	568.43

* includes Rs. 200.00 lakhs (March 31, 2020: Rs 200.00 lakhs) pledged against short-term borrowings.

includes Rs. 374.18 (March 31, 2020: Rs Nil) earmarked as monitoring account balance towards unutilized IPO proceeds. Refer note 11.

@ includes Rs. 19,500 (March 31, 2020: Rs Nil) earmarked as monitoring account balance towards unutilized IPO proceeds. Refer note 11.

Notes to the Financial Statements

for the year ended March 31, 2021

Bank deposits earns interest at fixed rates. Short-term deposits are generally made for varying periods between seven days to twelve months, depending on the cash requirements of the Company, and earn interest at the respective deposit rates.

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

10 Other assets

(Unsecured, considered good unless otherwise stated)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	34.41	93.66
Total other non-current assets	34.41	93.66
Current		
Advance to vendors	30.71	91.73
Prepaid expenses	96.28	141.99
Prepaid employee benefits (refer note 28)	16.75	4.33
Employee advances	11.80	23.88
Balance with statutory/government authorities	607.04	43.43
Total other current assets	762.58	305.36

There are no advances which are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person.

11.1 Equity share capital

A. Authorised share capital

Particulars	Equity shares		Class A1 equity shares		Class A2 equity shares		Total equity shares	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
As at April 1, 2019	4,30,00,000	4,300.00	3,250	0.33	3,250	0.33	4,30,06,500	4,300.65
Increase during the year	-	-	-	-	-	-	-	-
As at March 31, 2020	4,30,00,000	4,300.00	3,250	0.33	3,250	0.33	4,30,06,500	4,300.65
Increase in authorised share capital during the year	89,15,195	891.52	-	-	-	-	89,15,195	891.52
Reclassified from CCCPS	1,80,78,305	1,807.83	-	-	-	-	1,80,78,305	1,807.83
Reclassification between class of shares	6,500	0.65	(3,250)	(0.33)	(3,250)	(0.33)	-	-
As at March 31, 2021	7,00,00,000	7,000.00	-	-	-	-	7,00,00,000	7,000.00

Notes to the Financial Statements

for the year ended March 31, 2021

B. Issued, subscribed and fully paid up equity shares:

Particulars	Equity shares		Class A1 equity shares		Class A2 equity shares		Total equity shares	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
As at April 1, 2019	2,88,45,375	2,884.54	3,250	0.33	3,250	0.33	2,88,51,875	2,885.19
Issue of shares on exercise of stock options (refer note 30)	1,70,300	17.03	-	-	-	-	1,70,300	17.03
As at March 31, 2020	2,90,15,675	2,901.57	3,250	0.33	3,250	0.33	2,90,22,175	2,902.22
Issue of shares on exercise of stock options (refer note 30)	4,55,325	45.53	-	-	-	-	4,55,325	45.53
Conversion of CCCPS to equity shares	1,60,78,075	1,607.81	-	-	-	-	1,60,78,075	1,607.81
Fresh issue of equity shares*	20,13,422	201.34	-	-	-	-	20,13,422	201.34
Reclassification between class of shares	6,500	0.65	(3,250)	(0.33)	(3,250)	(0.33)	-	-
As at March 31, 2021	4,75,68,997	4,756.90	-	-	-	-	4,75,68,997	4,756.90

*During the year, the Company, has completed the Initial Public Offering (IPO) of 7,853,422 Equity Shares of Face Value of Rs. 10 each for cash at a price of Rs. 1,490 per Equity Share (for employee reservation portion of 70,000 equity shares at a price of Rs. 1,342 per equity share) aggregating to Rs. 116,912.39 lakhs comprising a Fresh Issue of 2,013,422 Equity Shares aggregating to Rs. 29,973.43 Lakhs and on offer for sale of 58,40,000 Equity Shares aggregating to Rs. 86,938.96 Lakhs. Pursuant to the IPO, the Equity Shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on February 02, 2021. The selling shareholders included Mr. Hemant Jalan, Sequoia Capital India Investments IV and SCI Investments V ('Selling shareholders').

The Company has incurred Rs. 4,251.33 Lakhs (net of GST) as IPO related expenses and allocated such expenses between the Company Rs. 1,087.71 Lakhs (net of income tax impact Rs. 854.71) and selling shareholders 3,163.62 Lakhs. Such amounts were allocated based on agreement between the various parties and in proportion to the total proceeds in the IPO. The Company's share of expenses of Rs. 854.71 Lakhs has been adjusted to securities premium. Refer note 12 of the financial statements.

The Company has charged Rs. 3,163.62 Lakhs from the selling shareholder towards management support for their share of IPO expenses, based on the agreement with and indemnity from the selling shareholder for the IPO expenses, part of which being a qualified Export of services under GST Regulations. The Company has relied on expert opinion for invoicing to the selling shareholder.

The details of utilization of IPO proceeds - Rs. 29,118.72 Lakhs, net of IPO expenses of Rs. 854.71 Lakhs of the Company are as follows:

Particulars	Planned as per prospectus	Revised proceeds [@]	(Rs. in Lakhs)	
			Utilized upto March 31, 2021 [#]	Un-utilized as on March 31, 2021
Funding capital expenditure for the Proposed expansion	15,000.00	15,000.00	125.82	14,874.18
Purchase of tinting machines and gyroshakers	5,000.00	5,000.00	-	5,000.00
Repayment/prepayment of certain borrowings of Company	2,500.00	2,500.00	2,500.00	-
General corporate purposes [@]	6,115.60	6,211.21	600.00	5,611.21
Total	28,615.60	28,711.21	3,225.82	25,485.39

[@]net of IPO related expenses

[#]Based on the advice received by the Company from the monitoring agency, the expenditure has been disclosed gross of tax (i.e. gross debits). Similarly the revised proceeds is disclosed with gross of tax amount of Rs 407.51 Lakhs

Notes to the Financial Statements

for the year ended March 31, 2021

Of the above unutilized funds, Rs. 25,374.18 lakhs has been earmarked by the Company in fixed deposits and monitoring account (current account). Refer note 9.

For the purpose of below notes:

“Class A Equity Shares” shall mean collectively, the Class A1 Equity Shares and Class A2 Equity Shares;

“CCCPS” shall mean collectively, Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS and Series C CCCPS

C. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share (March 31, 2020: Rs 10). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution of the remaining assets of the Company will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Each of Class A equity shares and CCCPS was converted into 1 equity shares of Rs. 10 each in 2020-21 at the ratio of 1:1.

D. Details of shareholding more than 5% shares in the Company

(Rs. in Lakhs)

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding	Nos.	% holding
Equity shares of Rs. 10 each fully paid				
Hemant Jalan	85,67,500	18.01%	1,02,37,500	35.28%
Anita Jalan	69,87,500	14.69%	69,87,500	24.08%
Kamalaprasad Jalan	35,48,545	7.46%	16,57,500	5.71%
Taradevi Jalan	-	-	18,91,045	6.52%
Parag Jalan	16,25,000	3.42%	16,25,000	5.60%
Halogen Chemicals Private Limited - India	49,58,070	10.42%	49,58,070	17.09%
Sequoia Capital India Investments IV - Mauritius	65,29,960	13.73%	-	-
SCI Investments V - Mauritius	70,43,675	14.81%	-	-
Class A1 Equity shares of Rs. 10 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	3,250	100.00%
Class A2 Equity shares of Rs. 10 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	3,250	100.00%

Notes to the Financial Statements

for the year ended March 31, 2021

E. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Bonus shares issued in FY 2016-17 by capitalisation of securities premium		
Equity shares	2,81,47,200	2,81,47,200
Class A1 equity shares*	3,200	3,200
Class A2 equity shares*	3,200	3,200

*Converted to ordinary equity shares.

11.2 Instruments in the nature of equity

A. Authorised share capital

Particulars	0.001% Compulsory convertible cumulative preference shares (CCCPS)				Redeemable preference shares	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Authorised shares:	Rs. 100 each		Rs. 10 each		Rs. 10 each	
As at April 01, 2019	2,47,355	247.36	1,58,30,950	1,583.10	20,00,000	200.00
Increase during the year	-	-	-	-	-	-
As at March 31, 2020	2,47,355	247.36	1,58,30,950	1,583.10	20,00,000	200.00
Less: Reclassified to equity shares	(2,47,355)	(247.36)	(1,58,30,950)	(1,583.10)	(20,00,000)	(200.00)
As at March 31, 2021	-	-	-	-	-	-

B. Issued, subscribed and fully paid up 0.001% CCCPS:

	Series A1 CCCPS		Series A2 CCCPS		Series B CCCPS		Series C CCCPS		Total CCCPS	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
	Rs. 100 each		Rs. 100 each		Rs. 100 each		Rs. 10 each			
As at April 01, 2019	69,904	69.90	46,586	46.59	1,30,865	130.87	1,58,30,720	1,583.07	1,60,78,075	1,830.42
Issued during the year	-	-	-	-	-	-	-	-	-	-
As at April 01, 2020	69,904	69.90	46,586	46.59	1,30,865	130.87	1,58,30,720	1,583.07	1,60,78,075	1,830.42
Less: Conversion of CCCPS to equity shares [#]	(69,904)	(69.90)	(46,586)	(46.59)	(1,30,865)	(130.87)	(1,58,30,720)	(1,583.07)	(1,60,78,075)	(1,830.42)
As at March 31, 2021	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2021

C. Terms/rights attached to equity shares

#Each of Class A1 CCCPS, A2 CCCPS, B CCCPS and C CCCPS was converted into 1 equity shares of Rs. 10 each in 2020-21 at the ratio of 1:1.

(Rs. in Lakhs)

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding	Nos.	% holding
Equity shares of Rs. 10 each fully paid				
Hemant Jalan	85,67,500	18.01%	1,02,37,500	35.28%
Anita Jalan	69,87,500	14.69%	69,87,500	24.08%
Kamalprasad Jalan	35,48,545	7.46%	16,57,500	5.71%
Taradevi Jalan	-	-	18,91,045	6.52%
Parag Jalan	16,25,000	3.42%	16,25,000	5.60%
Halogen Chemicals Private Limited - India	49,58,070	10.42%	49,58,070	17.09%
Sequoia Capital India Investments IV - Mauritius	65,29,960	13.73%	-	-
SCI Investments V - Mauritius	70,43,675	14.81%	-	-
Class A1 Equity shares of Rs. 10 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	3,250	100.00%
Class A2 Equity shares of Rs. 10 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	3,250	100.00%

D. Details of shareholding more than 5% shares in the Company

(Rs. in Lakhs)

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Nos.	% holding	Nos.	% holding
Series A1 CCCPS of Rs. 100 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	69,904	100.00%
Series A2 CCCPS of Rs. 100 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	46,586	100.00%
Series B CCCPS of Rs. 100 each fully paid				
SCI Investments V - Mauritius	-	0.00%	1,30,865	100.00%
Series C CCCPS of Rs. 10 each fully paid				
Sequoia Capital India Investments IV - Mauritius	-	0.00%	74,55,360	47.09%
SCI Investments V - Mauritius	-	0.00%	83,75,360	52.91%

E. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(Rs. in Lakhs)

Particulars	Number of shares	
	As at March 31, 2021*	As at March 31, 2020
Bonus shares issued in FY 2016-17 by capitalisation of securities premium		
Preference shares ("CCCPS")	1,58,30,720	1,58,30,720

*as on reporting date the bonus shares have been converted into equity shares

Notes to the Financial Statements

for the year ended March 31, 2021

12 Other equity

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Securities premium		
Balance as per last financial statements	9,779.28	9,557.28
Add : Conversion of CCCPS into equity shares	222.61	-
Add : Fresh issue of equity shares	29,772.09	-
Add : Issue of shares under ESOS 2014 (refer note 30)	363.06	159.80
Add: Transferred from share based payment reserve	141.72	62.20
Less: Company's share of expenses incurred on fresh issue of equity shares (net) (refer note 11.1)	(854.71)	-
Closing balance	39,424.05	9,779.28
General reserve		
Balance as per last financial statements	43.78	43.78
Closing balance	43.78	43.78
Employee stock option reserve		
Balance as per last financial statements	152.51	203.77
Add: Compensation for options granted during the year (refer note 23 and 30)	42.08	10.94
Less: Transferred to securities premium	(141.72)	(62.20)
Closing balance	52.87	152.51
Retained earnings		
Opening balance	4,997.23	225.99
Add: Profit for the year	7,085.01	4,781.48
Dividend on preference shares	-	(0.02)
Tax on preference dividend	-	(0.01)
Items of other comprehensive income recognised directly in retained earnings:		
Re-measurement (loss) on defined benefit plans, net of tax Rs. (3.66) lakhs (March 31, 2020 Rs. (3.43) lakhs)	(10.87)	(10.21)
Net surplus in the Statement of profit and loss	12,071.37	4,997.23
Total reserves and surplus	51,592.07	14,972.80
Total other equity	51,592.07	14,972.80

Securities premium account - This represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specifies regulation around application of premiums received on issue of shares. Accordingly, the company has applied securities premium to write off company's share of expenses incurred on fresh issue of equity shares.

General reserve - Represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act 1956.

Employee stock option reserve: The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Notes to the Financial Statements

for the year ended March 31, 2021

13 Borrowings

13.1 Non-current Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans (secured)		
Indian rupee loan from bank (refer note a below)	-	3,541.58
Other loans (secured)		
Loan against movable assets (refer note b below)	3.28	12.52
	3.28	3,554.10
less: Amount disclosed under the head other current financial liabilities (refer note 15)		
- Current maturities of long-term debt	(3.28)	(1,082.25)
Total non-current borrowings	-	2,471.85

- a. Term loan
 Indian Rupee loan from bank comprises of loans having interest in the range of 9.55% p.a. to 10.10% p.a. (March 31, 2020: 9.55% p.a. to 10.10% p.a.).
- i. Term loan from a bank for Rs Nil (March 31, 2020: Rs 769.61 lakhs) (against sanction of Rs 1409.83 lakhs) is secured by exclusive charge of land, factory building and entire plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery, exclusive charge on land, building and entire plant and machinery located at F-910/911 RIICO Industrial Area, Phase IV, Boranada Jodhpur-342001 and pari-passu charge on inventory and trade receivables. The loan is repayable in 60 equal monthly instalments beginning from August 2018. The term loan is repaid during the year.
 - ii. Term loan from a bank for Rs Nil (March 31, 2020: Rs 2771.98 lakhs) (against sanction of 3300.00 lakhs) is secured by exclusive charge on land, factory building and entire plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery, exclusive charge on land, building and entire plant and machinery at F-910 & 911 RIICO Industrial Area, Phase IV, Boranada Jodhpur-342001, exclusive charge on land located at plot no A-207-208 (Old SEZ) at Jodhpur Boranada Industrial Area, Jodhpur, Rajasthan and pari-passu charge on inventory and trade receivables. The loan is repayable in 60 equal monthly instalments commencing from April 2019. The term loan is repaid during the year.
- b. The loans against movable assets hypothecated for vehicles carries an interest rate of 9.14% p.a. Loans are repayable in 60 equal monthly instalments till June 2021.
- c. There is no borrowing cost capitalized during the current year. The rates used for capitalisation of borrowing cost range from 9.55% p.a to 10.10% p.a. for year ended March 31, 2020. Refer note 24.
- d. Refer note 15 for interest accrued and due on borrowings.

Notes to the Financial Statements

for the year ended March 31, 2021

13.2 Current Borrowings

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
Cash credit from bank	-	252.91
Unsecured		
Working capital loan	-	1,200.00
	-	1,452.91

- a) (i) Cash credit facilities from a bank with sanction limit of Rs 2000 lakhs carries interest in the range of 10.20% p.a. to 10.95% p.a. (March 31, 2020: 9.85% p.a. to 11.70 % p.a.), linked to base rate. The loan is secured by creating first charge by way of hypothecation of inventory and trade receivables, both present and future of the Company and is payable on demand. The loan is collaterally secured by exclusive charge of land, factory building and entire plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery, exclusive charge on land, building and entire plant and machinery located at F-910/911, G-904/905/906 RIICO Industrial Area, Phase IV, Boranada Jodhpur-342001, exclusive charge on land located at plot no A-207-208 (Old SEZ) at Jodhpur Boranada Industrial Area, Jodhpur, Rajasthan.
- (ii) Cash credit facilities from a bank with sanction limit of Rs 1200 lakhs carries interest in the range of 9.85% p.a. to 11.00 % p.a. (March 31, 2020: 9.85% p.a. to 11.00 % p.a.), linked to base rate. The loan was secured by creating first charge by way of hypothecation of inventory and trade receivables and was payable within 12 months. The loan was collaterally secured by exclusive charge of land, factory building and plant and machinery at SIPCOT Industrial Estate, Pudukkottai, Tamil Nadu. During the year the loan facility is closed and charge has been released.
- b) Unsecured working capital loan facilities from bank carried interest rate of MCLR+160 basis point and was payable within 90 days. The loan is repaid during the year.

14 Trade payables

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (refer note 33)	5,039.65	2,589.59
- total outstanding dues of creditors others than micro enterprises and small enterprises	13,517.46	11,269.35
Total trade payables	18,557.11	13,858.94

Terms and conditions of the above financial liabilities:

- a. Trade payables are non-interest bearing and are normally settled on 60-90 days terms.
For explanations on the Company's financial risk management processes, refer to note 38.

Notes to the Financial Statements

for the year ended March 31, 2021

15 Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Current maturities of long term debts (refer note 13.1)	3.28	1,082.25
Interest accrued and due on borrowings	-	29.06
Payables for property, plant and equipment and intangible assets	1,035.55	789.08
Security deposits	38.80	38.80
Expenses payable related to IPO	446.51	-
Proposed CCCPS dividend	0.08	0.08
Provision for tax on preference dividend	0.02	0.02
Total other current financial liabilities	1,524.24	1,939.29

16 Other liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current		
Deferred revenue (refer note 3, 19 and 35)	429.65	384.55
Total other non-current liabilities	429.65	384.55
Current		
Advance from customers (contract liabilities)	268.28	186.75
Deferred revenue (refer note 3, 19 and 35)	204.65	149.76
Statutory dues payables*	718.36	224.93
Total other current liabilities	1,191.29	561.44

* Statutory dues payable includes payable on account of provident fund, tax deducted at source, goods and services tax etc.

17 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for long term sales incentive	252.53	130.00
	252.53	130.00
Current		
Provision for gratuity (refer note 28)	-	-
Provision for leave encashment	167.93	106.11
	167.93	106.11
Total provisions	420.46	236.11

In pursuance of Ind AS 37- 'Provisions, contingent liabilities and contingent assets' the provisions required have been incorporated in the following manner:

Notes to the Financial Statements

for the year ended March 31, 2021

Movement in provision for long term sales incentive

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	130.00	-
Provision made during the year	110.00	130.00
Accretion of interest	12.53	-
At the end of the year	252.53	130.00

Long term sales incentive provision represents obligation of the Company to reward the customer for completion of prescribed sales target for each of the four years beginning from financial year 19-20.

18 Income taxes

(A) The major components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Statement of profit and loss

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current income tax charge:		
Current income tax	2,555.37	1,471.34
Adjustment of tax relating to earlier periods	(84.85)	-
Deferred tax		
Relating to origination and reversal of temporary differences	235.19	489.86
Income tax expense reported in the Statement of profit and loss	2,705.71	1,961.20

(B) Deferred tax recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Remeasurements of defined benefit asset	3.66	3.43
	3.66	3.43

(C) Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for March 31, 2021 and March 31, 2020

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Accounting profit before tax	9,790.72	6,742.68
Tax as per India's statutory income tax rate of 25.17% (March 31, 2020: 25.17%)	2,464.32	1,697.13
Tax benefit on brought forward tax losses not recognized in earlier years	-	(42.79)
Impact of change in tax rates/tax law	405.52	(193.70)
MAT credit entitlement written-off	-	482.45
Deferred tax on indexed cost of investments	(76.46)	-
Adjustment of tax relating to earlier periods	(84.85)	-
Others	(2.82)	18.11
Income tax expense reported in the Statement of profit and loss	2,705.71	1,961.20

Notes to the Financial Statements

for the year ended March 31, 2021

(D) Deferred tax (liabilities)

(Rs. in Lakhs)

Particulars	Balance sheet		Statement of profit and loss & OCI	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Deferred tax relates to the following				
Accelerated depreciation/amortization for tax purposes	(1,084.63)	(700.69)	(383.94)	127.48
Change in fair value of financial instruments	(41.76)	(146.92)	105.16	17.46
Disallowances towards expenditure to be allowed in subsequent period	380.49	99.90	47.59	13.13
ICDS related allowances/disallowances	33.66	29.35	4.31	(143.96)
Deferred tax on leased assets and liabilities (net)	15.47	16.46	(0.99)	1.51
Deferred tax on tax losses carried forward	-	-	-	(16.17)
On items recognized in OCI	1.55	5.21	(3.66)	(3.43)
MAT credit entitlement written-off	-	-	-	(482.45)
Deferred tax (expense)			(231.53)	(486.43)
Net deferred tax (liabilities)	(695.22)	(696.69)		

Reconciliation of deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	696.69	210.26
Tax on items recognised directly in equity	(233.00)	-
Tax expense during the year recognised in profit or loss	235.19	489.86
Tax (income) during the year recognised in OCI	(3.66)	(3.43)
Closing balance	695.22	696.69

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

19 Revenue from operations

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue from contracts with customers (At a point in time)		
Sale of goods	71,995.11	62,181.71
Total revenue from contracts with customers	71,995.11	62,181.71
Other operating revenue		
Scrap sales	157.26	162.13
Amortisation of deferred revenue (also refer note 3, 16 and 35)	180.10	135.36
Total other operating revenue	337.36	297.49
Total revenue from operations	72,332.47	62,479.20

Notes to the Financial Statements

for the year ended March 31, 2021

Disclosure pursuant to Ind AS 115: Revenue from contract with customers

A Disaggregated revenue

(i) Revenue by geographical market

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within India	72,145.11	61,932.21
Outside India	187.36	546.99
	72,332.47	62,479.20

B Contract balances

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	268.28	186.75
Trade receivables (note 8)	12,119.16	10,447.43

C Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers (note 16)	186.75	118.90

D Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross revenue (Invoicing as per contracted price)	81,349.69	68,890.87
Less: Discounts and rebates	(9,141.38)	(7,116.89)
Less: Changes in revenue due to performance obligations (net)	(213.20)	407.73
Net revenue from contract with customers	71,995.11	62,181.71

20 Other income

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other non-operating income:		
Interest income on bank deposits	158.33	17.08
Fair value gain on financial instruments at fair value through profit or loss	165.90	113.29
Foreign exchange differences (net)	15.41	2.85
Miscellaneous income	19.73	23.12
Profit on disposal of property, plant and equipment (net)	-	8.08
Total other income	359.37	164.42

Notes to the Financial Statements

for the year ended March 31, 2021

21 Cost of raw materials and components consumed

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Inventory at the beginning of the year	2,581.56	2,840.43
Add: purchases	37,659.27	31,854.32
	40,240.83	34,694.75
Less: inventory at the end of the year	3,846.15	2,581.56
Total cost of raw materials and components consumed	36,394.68	32,113.19

22 (Increase) in inventories of finished goods and traded goods

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Inventory at the end of the year		
Finished goods	5,247.35	4,830.35
Traded goods	373.97	264.51
	5,621.32	5,094.86
Inventory at the beginning of the year		
Finished goods	4,830.35	3,800.52
Traded goods	264.51	291.63
	5,094.86	4,092.15
(Increase) in inventories of finished goods and traded goods	(526.46)	(1,002.71)

23 Employee benefits expense

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries, wages and bonus	4,559.77	4,014.32
Employee stock option expenses (refer note 12 & 30)	42.08	10.94
Contribution to provident and other funds	133.29	83.37
Gratuity expenses (refer note 28)	24.55	20.98
Staff welfare expenses	71.59	69.37
Total employee benefits expense	4,831.28	4,198.98

24 Finance costs

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest expenses	303.99	575.17
Unwinding of financial liabilities (refer note 17 & 36)	77.32	78.58
Less: borrowing cost capitalised (refer note 3.1)	-	(94.30)
Total finance costs	381.31	559.45

Notes to the Financial Statements

for the year ended March 31, 2021

25 Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipment (refer note 3.1)	2,065.04	1,560.58
Depreciation of Right-of-use assets (refer note 3.2)	365.31	392.31
Amortization of intangible assets (refer note 3.3)	8.60	8.10
Total depreciation and amortization expense	2,438.95	1,960.99

26 Other expenses

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Consumption of stores and spares	148.79	128.66
Contract labour charges	510.83	469.28
Power and fuel	342.08	269.21
Freight and forwarding charges	7,185.64	6,577.01
Lease rent (refer note 3.6)	26.01	9.13
Rates and taxes	63.22	43.10
Repairs and maintenance		
- Plant and machinery	133.08	138.12
- Others	120.26	87.90
Advertisement and sales promotion	7,706.04	7,905.41
Travelling and conveyance	609.50	745.89
Communication expense	35.30	36.04
Legal and professional charges	132.63	107.62
Payment to auditors		
- Audit fees	27.00	27.00
- Limited review	1.50	-
- Others*	-	-
- Out of pocket expenses	0.40	1.27
Provision for impairment of financial assets	70.07	28.44
Loss on disposal of property, plant and equipment (net)	2.90	-
CSR expenditure (refer note A)	63.79	28.20
Miscellaneous expenses (including directors sitting fees and commission Rs. 34.00 lakhs (March 31, 2020: Rs. Nil))	418.84	383.12
Total other expenses	17,597.88	16,985.40

*In addition, an amount of Rs. 170 lakhs (excluding OPE) has been incurred on account of fresh issue of equity shares and accordingly have been applied against securities premium as stated in note 12 of financial statements.

Notes to the Financial Statements

for the year ended March 31, 2021

A. Details of CSR expenditure

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Gross amount required to be spent by the Company during the year	63.45	7.51

1. Amount spent during the year ended on March 31, 2021:	(Rs. in Lakhs)		
	In cash	Yet to be paid	Total paid
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	63.79	-	63.79

2. Amount spent during the year ended on March 31, 2020:	(Rs. in Lakhs)		
	In cash	Yet to be paid	Total paid
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	28.20	-	28.20

27 Earnings per share

The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Profit after tax attributable to the equity holders (Rs. in lakhs) (a)	7,085.01	4,781.48
Weighted average number of shares considered for calculating basic EPS (b)	4,55,49,538	4,50,87,186
Weighted average number of shares considered for calculating diluted EPS (c)	4,55,98,038	4,55,70,261
Nominal value of shares (Rs.)	10.00	10.00
Basic earnings per share (Rs.) (d) = (a)/(b)	15.55	10.61
Diluted earnings per share (Rs.) (e) = (a)/(c)	15.54	10.49

Computation of weighted average number of shares

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Calculation of weighted number of shares of Rs. 10 each		
Number of shares outstanding as at April 01 (including CCCPS*)	4,51,00,250	4,49,29,950
Number of shares outstanding for 62 days	20,13,422	-
Number of shares outstanding for 86 days	4,55,325	-
Number of shares outstanding for 337 days	-	1,70,300
Weighted average number of shares considered for calculation of Basic EPS	4,55,49,538	4,50,87,186
Effect of dilution:		
Stock options granted under ESOP	48,500	4,83,075
Total considered for calculating Diluted EPS	4,55,98,038	4,55,70,261

*On December 22, 2020, the entire CCCPS has been converted into equity shares. The basic EPS for both the years has been calculated including CCCPS.

Notes to the Financial Statements

for the year ended March 31, 2021

28 Gratuity

Gratuity plan

The Company operates a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. For certain class of employees, the gratuity will be paid at 30 days salary (last drawn salary) for each completed year of service post their completion of 20 years of employment. The plan is funded with LIC by the Company.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The following tables summarise the components of net benefit expense recognised in the Statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefits expense

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current service cost	25.69	23.09
Past service cost	-	-
Net interest (income)	(1.14)	(2.11)
Net benefit expense recognised in the Statement of profit and loss	24.55	20.98

Amount recognised in the statement of other comprehensive income

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Actuarial losses arising from changes in financial assumptions	1.15	14.32
Actuarial (gains) arising from changes in experience assumptions	(9.16)	(2.58)
Actuarial (gains) arising from changes in demographic assumptions	-	(0.13)
Return on plan assets excluding amounts included in interest loss	22.54	2.03
Total re-measurement costs for the year recognised in other comprehensive income	14.53	13.64

Changes in the present value of the defined benefit obligation are as follows :

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	171.48	131.51
Current service cost	25.69	23.09
Interest cost	11.29	9.42
Benefits paid	(3.00)	(4.15)
Re-measurement loss in other comprehensive income	(8.01)	11.61
Closing defined benefit obligation	197.45	171.48

Notes to the Financial Statements

for the year ended March 31, 2021

Changes in the fair value of plan assets are as follows :

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	175.81	147.66
Interest income	12.43	11.53
Contributions by employer	50.21	22.80
Benefits paid	(1.71)	(4.15)
Return on plan assets, excluding amount recognized in interest losses	(22.54)	(2.03)
Fair value of plan assets at the end of the year	214.20	175.81

Net benefit (asset)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the end of the year	197.45	171.48
Less: Fair value of plan assets at the end of the year	214.20	175.81
Net benefit (asset)	(16.75)	(4.33)

The major categories of plan assets of the fair value of the total plan assets are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Nature of plan assets		
Investments with insurer	100%	100%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.80%	6.85%
Salary growth rate	5.00%	5.00%
Normal age of retirement	60 years	60 years
Withdrawal rate	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes to the Financial Statements

for the year ended March 31, 2021

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 is as shown below:

(Rs. in Lakhs)

Assumptions	Impact on defined benefit obligation			
	As at March 31, 2021		As at March 31, 2020	
	Increase by 50 basis points	Decrease by 50 basis points	Increase by 50 basis points	Decrease by 50 basis points
Discount rate	(11.05)	12.12	(9.76)	10.70
Salary growth rate	12.27	(11.28)	10.84	(9.97)

(Rs. in Lakhs)

	Increase by 100 basis points		Decrease by 100 basis points	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Withdrawal Rate	0.65	(0.67)	0.58	(0.60)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis didn't change compared to the previous periods.

The following are the expected cashflows to the defined benefit plan in future years:

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Within next 12 months	19.14	13.46
Between 1 to 5 years	41.01	40.65
Between 5 to 10 years	55.08	44.51

The average duration of the defined benefit plan obligation at the end of the year is 13.14 years (March 31, 2020: 24.36 years)

29 Related party transactions

A Names of related parties and related party relationship

Halogen Chemicals Private Limited- India	Associate Company
Key managerial person (KMP)	
Hemant Jalan	Chairman & Managing Director
Anita Jalan	Director
Kottiedath Venugopal Narayanankutty	Director
Chetan Humane (w.e.f March 11, 2020)	Chief financial officer
Sujoy Bose	Company Secretary & Compliance Officer
Sunil Badriprasad Goyal (w.e.f June 01, 2020)	Independent director
Praveen Kumar Ramniranjan Tripathi (w.e.f June 01, 2020)	Independent director
Ravi Nigam	Independent director
Nupur Garg (w.e.f June 01, 2020)	Independent director
Payal Jalan Charitable Trust	Entity controlled by KMP
Vinay Menon	Relative of KMP

Notes to the Financial Statements

for the year ended March 31, 2021

B Related party transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a. Transactions during the year#		
(i) Remuneration paid		
Salary allowances and bonus*		
Hemant Jalan	135.00	90.00
Anita Jalan	6.00	6.00
Kottiedath Venugopal Narayanankutty	91.50	69.00
Vinay Menon	24.46	21.96
Chetan Humane	32.93	1.28
Sujoy Bose	7.22	5.44
(ii) CSR expenditure		
Payal Jalan Charitable Trust	63.79	25.20
(iii) Directors sitting fees & commission		
Sunil Badriprasad Goyal	7.00	-
Praveen Kumar Ramniranjan Tripathi	7.00	-
Ravi Nigam	7.00	-
Nupur Garg	13.00	-

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
b. Closing balance#		
Remuneration payable		
Hemant Jalan	3.00	7.50
Anita Jalan	0.49	0.50
Kottiedath Venugopal Narayanankutty	5.00	5.75
Vinay Menon	1.49	1.83
Chetan Humane	1.61	2.09
Sujoy Bose	0.51	0.45

* The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole. Further, the amount excludes employee stock option perquisites.

#The above transactions do not include IPO related expenses and its recoverable balances, incurred on behalf of related parties as selling shareholders in Offer for Sale. Refer note 11.1 of the financial statements for details IPO expenses incurred by the company and allocated to selling shareholders.

Terms and conditions of related party transactions and balances

The transactions with related parties are assessed to be at arm's length transactions by the management. Outstanding balances at the end of the year are unsecured and interest free and settlement occurs in cash.

Notes to the Financial Statements

for the year ended March 31, 2021

30 Employee stock option scheme (adjusted for issue of bonus shares)

i. The Company has provided following share-based payment schemes to its employees:

Particulars	Employee stock option scheme 2014	Employee stock option scheme 2014	Employee stock option scheme 2014	Employee stock option scheme 2014	Employee stock option scheme 2019	Employee stock option scheme 2019
Date of grant	December 07, 2014	December 14, 2015 & March 07, 2016	December 05, 2016	December 05, 2017	June 04, 2019	July 07, 2020
Date of board approval	December 07, 2014	November 30, 2015 & February 24, 2016	December 05, 2016	December 05, 2017	April 29, 2019	July 07, 2020
Date of shareholder's approval	December 06, 2014	December 06, 2014	December 06, 2014	December 06, 2014	March 28, 2019	March 28, 2019
Number of options granted	4,61,500	3,03,875	1,02,375	39,000	27,750	21,250
Method of settlement	Equity settled					
Original vesting period	3 year 6 months	4 years	4 years	4 years	5 years	5 years
Revised vesting period [#]	1 year 4 months	1 year 4 months	1 year 4 months	1 year 4 months	4 years	4 years
Fair value of shares on date of grant	Rs. 66.15	Rs. 106.15	Rs. 106.15	Rs. 106.15	Rs. 242.98	Rs. 612.96
Vesting conditions*	Vesting based on continued association with the Company					

[#]During the year, based on the powers of the board of directors, the board had reduced the vesting period for Employee stock option scheme 2019 from 5 years to 4 years.

*policy doesn't mention the exercise period and expected life of the options.

ii. The details of activities under the scheme have been summarized below:

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	4,83,075	85.16	6,25,625	93.58
Granted during the year	21,250	10.00	27,750	10.00
Forfeited during the year	(500)	10.00	-	-
Exercised during the year	(4,55,325)	89.74	(1,70,300)	103.86
Outstanding at the end of the year	48,500	10.00	4,83,075	85.16
Exercisable at the end of the year	-	-	4,55,325	89.74

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2021 is 2.65 years (March 31, 2020: 0.00 years - 4.18 years).

iii. The details of stock options exercised during the year:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Number of options exercised during the year	4,55,325	1,70,300
Weighted average share price (Rs.)	89.74	103.86

Notes to the Financial Statements

for the year ended March 31, 2021

iv. The details of exercise price for stock options outstanding at the end of the year are:

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Number of options outstanding	48,500	4,83,075
Exercise price (Rs.)	Rs. 10	Rs 10 - Rs 106.15
Weighted average remaining contractual life of options (in years)	2.65 yrs	0 to 4.18 yrs
Weighted average share price (Rs.)	10.00	85.16

v. Stock options granted:

The weighted average fair value of stock options granted during the period was Rs. 605.96 (March 31, 2020: Rs. 235.90). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Weighted average share price (Rs.)	612.96	Rs. 242.98
Exercise Price (Rs.)	Rs 10	Rs 10
Expected volatility (%)	30.00%	27% - 30%
Expected life of the options granted (in years)	4 years	5 years
Average risk-free interest rate (%)	5.10%	6.90%
Dividend yield	0.00%	0.00%

The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur. The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

vi. Effect of the employee share-based payment plans on the Statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share based payment plans for the year ended March 31, 2021 amounted to Rs. 42.08 lakhs (March 31, 2020: Rs. 10.94 lakhs). The liability for employee stock options outstanding as at March 31, 2021 is Rs. 52.87 lakhs (March 31, 2020: Rs. 152.51 lakhs).

31 Capital and other commitments

- i) The estimated amounts of contract remaining to be executed on capital account and not provided for are Rs. 454.32 lakhs (net of advances: Rs. 34.41 lakhs) [March 31, 2020: Rs. 46.41 lakhs (net of advances: Rs. 93.66 lakhs)]
- ii) The Company has guaranteed purchase of certain quantities of tinting machine and gyro shakers. In the event the Company is not able to make the purchases, it will be liable to compensate the manufacturer with a fee equivalent to the manufacturer's price towards inventory of components including the customized front panel TAB, keyboard, mouse and USB hub with cabling.
- iii) Bank guarantee issued to stock exchange for Rs. 870.16 lakhs (March 31, 2020: Rs. Nil).
- iv) For commitments relating to lease arrangements, refer note 36.

Notes to the Financial Statements

for the year ended March 31, 2021

32 Contingent liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Sales tax - C forms	3.05	4.16
Value added tax	1,787.62	1.10
Income tax matters	28.19	27.84
Excise and service tax related matters	5.72	93.43
Building tax	22.75	-
Total*	1,847.33	126.53

The management based on its assessment, believe that the outcome of these contingencies will be favourable, but not probable, and accordingly no provision for liability has been recognized in the financial statements.

*excludes interest and penalty thereon.

33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	5,039.65	2,589.59
- Interest due on above	14.43	7.86
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	22.29	7.86
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Based on the balance confirmations received by the Company, there are no interest for delayed payment of micro and small enterprises.

34 Segment reporting

The Board of Directors of the Company performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Managing Director. The financial information presented to the Board in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

The revenue from operations from products and services has not been disclosed as adjustments for discounts and rebates / performance obligation adjustments cannot be allocated at product category level.

Notes to the Financial Statements

for the year ended March 31, 2021

35 Operating leases

Operating lease - Company as lessor

The Company has given tinting machine and gyro shakers on operating lease to its dealers. The Company enters into 5 years cancellable lease agreements. The minimum aggregate lease payments to be received in future is considered as Rs. Nil. Accordingly, the disclosure of minimum lease payments receivable at the Balance sheet date is not made. The amount received from the dealers in nature of non-refundable deposits (representing lease income received in advance) is deferred and amortised over the period of lease.

36 Leases

A Company as a lessee

The Company has lease contracts mainly for land and buildings (godowns and depots) used for factory operations, depots and storage of goods. Leases of such godowns generally have lease terms between 3 and 6 years, while depots have lease terms of 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of depots with lease terms of 12 months or less and leases of low value.

For details on Right to use assets, refer note 3.2

The carrying amounts of lease liabilities and the movements during the year:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	626.09	939.69
Additions	642.02	33.22
Accretion of interest	64.79	78.58
Disposals/ Cancellations	(47.08)	-
Payments	(411.11)	(425.40)
At the end of the year	874.71	626.09
Current	325.13	344.10
Non-current	549.58	281.99

Non-cash investing transaction

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Additions to lease liabilities and right-of-use assets	642.02	33.22
Disposals/ Cancellations	(47.08)	-
Interest accrued on lease liabilities	64.79	78.58

The maturity analysis of lease liabilities are disclosed in Note 38.

The effective interest rate for lease liabilities is 10%, with maturity between 2021-2026.

Notes to the Financial Statements

for the year ended March 31, 2021

The following are the amounts recognised in profit or loss:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Depreciation expense of right-of-use assets	365.31	392.31
Interest expense on lease liabilities	64.79	78.58
Expense relating to short-term leases (included in other expenses)	26.01	9.13
Total amount recognised in Statement of profit and loss	456.11	480.02

The Company had total cash outflows for leases of Rs 411.11 lakhs in March 31, 2021 (Rs 425.40 lakhs in March 31, 2020). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs 642.02 lakhs in March 31, 2021 (Rs 33.22 lakhs in March 31, 2020). The future cash outflows relating to leases are disclosed in Note 38.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

37 Fair value measurements

i) Category of financial instruments and valuation techniques

Breakup of financial assets carried at amortised cost

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables	12,119.16	10,447.43
Cash and cash equivalent	4,479.89	568.43
Bank balances other than Cash and cash equivalents	21,351.16	-
Loans	454.49	579.67
Other financial assets	2,234.26	240.11
Total	40,638.96	11,835.64

Note:

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

Breakup of financial assets carried at fair value through profit and loss

Particulars	(Rs. in Lakhs)			
	Carrying value		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investments	4,967.93	2,083.71	4,967.93	2,083.71
Total	4,967.93	2,083.71	4,967.93	2,083.71

Notes to the Financial Statements

for the year ended March 31, 2021

Breakup of financial liabilities carried at amortised cost

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Borrowings	3.28	5,007.01
Trade payables	18,557.11	13,858.94
Other financial liabilities	1,520.96	857.04
Total	20,081.35	19,722.99

Note:

The management has assessed that the carrying amounts of the above financial instruments approximate their fair values.

ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2021 and March 31, 2020 respectively.

(Rs. in Lakhs)

Particulars	Fair value measurement using				Total
	Date of valuation	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	
Financial assets measures at fair value					
Investments	March 31, 2021	4,967.93	-	-	4,967.93
	March 31, 2020	2,083.71	-	-	2,083.71
Total					

There has been no transfer among Level 1, Level 2 and Level 3 during the year.

38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Debt (A)	3.28	5,007.01
Equity (B)	56,348.97	19,705.44
Debt / Equity ratio (A/B)	0.00	0.25

Notes to the Financial Statements

for the year ended March 31, 2021

39 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTPL investments.

The Company has negligible direct exposure to foreign currency risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the interest rate risk as there is no long-term debt obligations as at March 31, 2021.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments, deposits with banks and financial institutions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company's established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits and are defined in accordance with management's assessment of the customer. Outstanding customer receivables are regularly monitored. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company uses ageing buckets and provision matrix for the purpose of computation of expected credit loss. The provision rates are based on past trend of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security.

(ii) Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds is managed by the management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties based on limits defined by the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for financial instruments (mutual funds), bank balances and deposits as at March 31, 2021 and March 31, 2020 is the carrying amounts as mentioned in note 4 and 9.

Notes to the Financial Statements

for the year ended March 31, 2021

(c) Price risk

The Company invests its surplus funds in mutual funds which are linked to equity/debt markets. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company's investment policy approved by the Board of Directors.

(d) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The carrying amounts are assumed to be reasonable approximation of fair value.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	(Rs. in Lakhs)				
	On demand	Next 12 months	1 to 5 years	> 5 years	Total
March 31, 2021					
Borrowings (including current maturities of long-term debt)	-	3.28	-	-	3.28
Lease Liabilities	-	396.35	636.71	6.51	1,039.57
Trade payables	-	18,557.11	-	-	18,557.11
Other financial liabilities	-	1,520.96	-	-	1,520.96
	-	20,477.70	636.71	6.51	21,120.92
March 31, 2020					
Borrowings (including current maturities of long-term debt)	252.91	1,082.25	3,671.85	-	5,007.01
Lease Liabilities	-	356.43	364.50	-	720.93
Trade payables	-	13,858.94	-	-	13,858.94
Other financial liabilities	-	857.04	-	-	857.04
	252.91	16,154.66	4,036.35	-	20,443.92

40 The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of the same.

Notes to the Financial Statements

for the year ended March 31, 2021

41 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued by the Government of India. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

per **Tridevjal Khandelwal**
Partner
Membership number: 501160

Place: Pune
Date: May 14, 2021

For and on behalf of the Board of Directors of **Indigo Paints Limited**
CIN :U24114PN2000PLC014669

Hemant Jalan
Chairman & Managing Director
DIN: 00080942

Sujoy Bose
Company Secretary & Compliance Officer
A - 43755

Place: Pune
Date: May 14, 2021

Anita Jalan
Director
DIN: 00085411

Chetan Humane
Chief Financial Officer
PAN: ABGPH4376K



Indigo Paints Limited

Registered Office- Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune-411045, Maharashtra.
CIN- U24114PN2000PLC014669, Tel: +91 20 6681 4300,
Email: secretarial@indigopaints.com, Website: www.indigopaints.com

Notice of the 21st Annual General Meeting

NOTICE is hereby given that the Twenty-first Annual General Meeting (the "AGM") of the Members of Indigo Paints Limited (formerly known as Indigo Paints Private Limited) (the "Company") will be held on Thursday September 2, 2021 at 14.00 hrs IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements.

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Ms. Anita Hemant Jalan as a Director liable to retire by rotation.

To appoint a Director in place of Ms. Anita Hemant Jalan (DIN: 00085411) who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS:

3. Ratification of Indigo Paints- Employee Stock Option Scheme, 2019("ESOS, 2019")

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

"RESOLVED THAT in furtherance of and supplement to the special resolution passed by the shareholders of the Company in their Extra-Ordinary General Meeting held on October 26, 2020 and pursuant to the applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) ("SEBI ESOP Regulations"), Section 62 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other relevant provisions for the time being in force and as may be modified from time to time, provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the "Applicable Laws") and subject to any approvals, permissions and sanctions of any / various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and based on the recommendation of the nomination and remuneration committee of the board of directors of the Company, which may be agreed to by the board of directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include Nomination & Remuneration Committee constituted by the Board under Section 178 of the Companies Act, 2013 to exercise its powers, including the powers, conferred by this resolution), the Indigo Paints - Employee Stock Option Scheme 2019" (hereinafter referred as the "ESOS-2019" or "Scheme") as approved by the shareholders of the Company in their Extra-Ordinary General Meeting held on March 28, 2019 and amended by the shareholders of the Company in their Extra-Ordinary General Meeting held on October 26, 2020, prior to Initial Public Offering (IPO) of Shares of the Company, be and is hereby ratified within the meaning of Regulation 12 of SEBI SBEB Regulations and consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any existing or future Director of the Company, whether whole time or otherwise (excluding the Independent Directors and promoters of the Company), options exercisable into not more than 2,50,000 Equity Shares of the Company, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the Applicable laws or guidelines issued by the relevant Authority and to amend the ESOS 2019 as may be required and each option would be exercisable for one Equity Share of a face value of Rs. 10/- each fully paid-up on payment of the requisite exercise price to the Company;

RESOLVED FURTHER THAT the changes in ESOS 2019 would be also applicable to all the grants which have been granted in the past under this scheme;

RESOLVED FURTHER THAT the Board and/or the Nomination and Remuneration Committee, be and is hereby authorised to do all such acts as it may in its absolute

discretion deem necessary to bring the Scheme into effect including incur expenses in relation thereto.

RESOLVED FURTHER THAT to give effect to the above resolutions Mr. Hemant Kamala Jalan, Managing Director, Mr. Chetan Bhalchandra Humane, Chief Financial Officer and Mr. Sujoy Sudipta Bose, Company Secretary of the Company be and are hereby jointly and severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, Maharashtra at Pune to effectively implement this resolution;

RESOLVED FURTHER THAT, a copy of the above resolution, certified to be true by any Director or the Company Secretary, be forwarded to concerned authorities for necessary actions."

4. Approval of Fee payable for copies of inspection documents

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

RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution.

5. Approval from members for nomination of one Investor Director as required under clause 18.2 of Articles of Association of the Company

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

RESOLVED THAT pursuant to the Articles of Association of the Company and applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded to approve clause 18.2 of the Articles of Association.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution.

By order of the Board
For Indigo Paints Limited
(formerly known as Indigo Paints Private Limited)

Sujoy Sudipta Bose
Company Secretary & Compliance Officer
Membership No. A43755

Registered Office:
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road Pune -411045

Date: August 06, 2021
Place: Pune

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
3. The Board of Directors have considered and decided to include the Item no. 3 to 5 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
4. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM, is annexed hereto. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Director seeking appointment/ re-appointment at the Annual General Meeting is furnished as Annexure A to the Notice.
5. In accordance with the MCA Circulars, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
6. The Notice of AGM along with Annual Report for the financial year 2020-2021, is available on the website of the Company at www.indigopaints.com, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of Registrar and Transfer Agent (RTA) i.e www.linkintime.co.in The notice of the meeting containing the prescribed particulars has also been published in The Financial Express and LokSatta Newspapers.
7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.indigopaints.com/investors. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
10. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
11. In continuation of this Ministry's General Circular No. 20/2020, dated May 05, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.
12. As the meeting is being conducted through VC/OAVM, a route map is not annexed herewith.
13. The Company has appointed Ms. Ashwini Inamdar or failing her Mr. Atul Mehta, Partners, Mehta and Mehta Practising Company Secretaries (ICSI Unique Code:

- P1996MH007500) to act as the Scrutiniser, to scrutinise the e-voting process (including votes cast by the Members at the Annual General Meeting) in a fair and transparent manner.
14. The Scrutinizer's decision on the validity of the vote shall be final.
 15. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith within two working days of the Conclusion of the e-AGM to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same.
 16. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.indigopaints.com and on the website of Link Intime India Private Limited i.e. www.linkintime.co.in. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
 17. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.
 18. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
 19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
 21. In case of any queries regarding the Annual Report, the Members may write to secretarial@indigopaints.com to receive an email response.
 22. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM through VC/OAVM on its behalf and to vote through remote e-voting or during the e-AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to info@mehta-mehta.com with a copy to umesh.sharma@linkintime.co.in
 23. **e-AGM:** Company has appointed Central Depository Services Limited (CDSL), to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
 24. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by CDSL.

The detailed instructions for participating in e-AGM through Video Conferencing forms part of this Notice of AGM.
 25. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 26. The meeting conducted through the VC/AOVM facility shall have a capacity to allow participation by at least 1000 members of the Company on a first-come-first-serve basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. shall be allowed to attend the meeting without any restriction on account of the first-come-first-serve principle.

27. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
28. **Remote e-Voting:** 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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
29. The Company has fixed Thursday, August 26, 2021 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
30. The Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Record of Depositories as on Friday, July 30, 2021 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars.
31. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an email to the Company at secretarial@indigopaints.com

5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, August 26, 2021 ("cut – off date") may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Monday, August 30, 2021 at 9.00 a.m. and ends on Wednesday, September 1, 2021 at

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 i.e. CDSL/NSDL/KARVY/LINKINTIME, 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is 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 3) 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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. CDSL and NSDL

Login type	Helpdesk details
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 022-23058738 and 22-23058542-43.
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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant Indigo Paints Limited on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@indigopaints.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@indigopaints.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/

folio number, email id, mobile number at secretarial@indigopaints.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

By order of the Board
For Indigo Paints Limited
(formerly known as Indigo Paints Private Limited)

Sujoy Sudipta Bose
Company Secretary & Compliance Officer
Membership No. A43755

Registered Office:
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road Pune -411045

Date: August 06, 2021
Place: Pune

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

Item No. 3: Ratification of Indigo Paints- Employee Stock Option Scheme, 2019 ("ESOS, 2019")

Pursuant to the resolution of the Board passed on March 05, 2019 and the Shareholders' resolution dated March 28, 2019, the Company had established the 'Indigo Paints - Employee Stock Option Scheme 2019' (herein after referred as "ESOS 2019" or "Scheme"). The Scheme was also amended vide Shareholders' resolution dated October 26, 2020. Under the said ESOS 2019, 48,500 options have been granted as on the date of this notice out of total authorization of 2,50,000 options, each option granted under ESOS 2019 is convertible into one equity share.

As per Regulation 12 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), no company shall make any fresh grant of ESOPs, which involves allotment or transfer of shares to its employees under any ESOP Schemes formulated prior to its IPO and prior to the listing of its equity shares (Pre-IPO Scheme) unless (i) such pre-IPO scheme is in conformity with SEBI SBEB Regulations; and (ii) such pre-IPO scheme is ratified by its shareholders subsequent to IPO.

Considering, that the Company came out with a Public Issue of its Equity shares in January 2021 and its equity shares are listed at BSE and NSE with effect from February 2, 2021, the Company's ESOS 2019 is required to be ratified by the shareholders of the Company pursuant to Regulation 12 of the SEBI SBEB Regulations for making any fresh grant of ESOPs under this Scheme. Accordingly, same is referred to the shareholders for their ratification in terms of Regulation 12 and other applicable provisions of the SEBI SBEB Regulations. The said Scheme is in conformity with the SEBI SBEB Regulations and the Company has not granted any fresh grant of options to employees as on date after the public issue of the Company.

The following would, inter alia, be the broad terms and conditions of ESOS 2019:

a) Brief description of ESOS 2019

The objective of the ESOS 2019 is, inter alia to reward the employees (as defined hereinafter) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this ESOS 2019 to attract and retain talent in the organization. The Company views options as instruments that would enable the employees to get a share in the value they create for the Company in the years to come and align the objectives of the employees with the objectives of the Company.

After suitable amendments, the following would inter alia be the broad terms and conditions of the ESOS 2019:

b) Total number of options to be granted under ESOS 2019:

A total of 2,50,000 options would be available for being granted to employees of the Company under the ESOS 2019. Each option when exercised would be converted into one Equity Share of Rs.10 each fully paid-up. Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ directors (other than independent directors) or otherwise, would be available for being re-granted at a future date. The board of directors of the Company (the "Board") is authorized to re-grant such lapsed / cancelled options. In case of any corporate action(s) such as split/ consolidation, rights issues, bonus issues and others, a fair and reasonable adjustment will be made to the options granted. The number and/ or the exercise price of the options shall be adjusted in a manner such that the total value of options remains the same before and after such corporate action. The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option grantees.

Details of grants, exercise and lapsing of options as at August 06, 2021 on a cumulative basis are as follows:

Options granted	48,500
Options lapsed/expired	0
Options exercised	0
Options outstanding	2,01,500

c) Identification of classes of employees entitled to participate in the ESOS 2019:

All permanent employees of the Company or of a subsidiary of the Company or of a holding company of the Company, as applicable, and directors of the Company other than independent directors (hereinafter referred to as "employees") of the Company shall be eligible subject to determination by the Board.

However, following classes of employees/ directors shall not be eligible who are:

- i. Independent directors;
- ii. Promoters or persons belonging to promoter group;
- iii. Director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than ten percent of the issued and, subscribed and paid-up equity share capital of the Company.

d) Appraisal process for determining the eligibility of the employees to employee stock options:

The options shall be granted to the employees as per performance appraisal system of the Company or where the Board may determine the eligibility criteria for the employees under the ESOS 2019 based on their evaluation on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and such other factors as may be deemed appropriate by it.

e) Requirements of vesting and period of vesting:

The options granted shall vest so long as the employees continues to be in the employment of the Company, as applicable. The Nomination and Remuneration Committee of the Board may also specify certain performance parameters in discussion with the Managing Director of the Company subject to which the options would vest beyond the minimum vesting period of one year, in accordance with applicable law. The vesting period of options granted shall be 48 months from the date of grant of such options. The specific vesting dates, schedule and conditions subject to which vesting would take place would be according to the letter of grant given to the employee at the time of grant of options.

f) The maximum period within which the options shall be vested:

The options granted shall vest not later than 48 months from the date of grant of such options.

g) Exercise price or pricing formula:

The exercise price shall be as provided under the relevant employee stock option agreement or grant letters issued by the Company.

h) Exercise period and the process of exercise:

From the date of vesting of options, the employees shall be entitled to exercise the options upon completion of vesting period, which period shall not exceed a period of 36 months from the respective date of vesting of the options. However, the applicable exercise period may vary depending on circumstances such as retirement, resignation, termination due to misconduct or due to breach of policies or the terms of employment of the Company, permanent disablement, death, abandonment of service or termination due to other reasons.

i) Lock-in period:

The shares issued pursuant to exercise of options shall not be subject to any lock-in except such restrictions as may be prescribed under any policy of the Company on disposal of the Equity Shares and provisions of applicable laws particularly after listing of the Equity Shares.

j) Maximum number of options to be issued per employee and in aggregate:

The maximum number of options that may be granted to an employee under the ESOS 2019 in aggregate per employee under ESOS 2019 shall be determined by the nomination and remuneration committee of the Board with respect to an individual employee. Further, The maximum number of options to be granted per employee per grant and in aggregate shall not exceed 2,50,000 (Two Lakh Five Thousand).

Further, the number of Options that may be granted to any specific identified employee under ESOS 2019 shall not be equal to or exceeding the number of Shares equivalent to 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

k) Maximum quantum of benefits to be provided per employee under a Scheme

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

l) Method of option valuation:

To calculate the employee compensation cost, the Company shall use the fair value method for valuation of the options granted.

Since the company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the Company opts for exercising of share based employee benefits using the intrinsic value method, the difference between the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report prepared in accordance with Section 134 of the Companies Act and other applicable provisions (the "Directors' Report") and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' Report.

m) The conditions under which option vested in employees may lapse:

The vested options shall lapse in case of termination of employment due to misconduct. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

n) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

In case of resignation/ termination (other than due to misconduct, permanent disability, retirement and early retirement), all the vested options as on that date can be exercised by the employee as on the last day of his employment. In case of termination due to permanent disability, all the vested options as on that date can be exercised by the employee within 60 days of his permanent disability. In case of termination due to retirement or early retirement approved by the Company, all the vested options as on that date can be exercised by the employee within 30 days of his retirement.

However, this specified period is subject to the terms and conditions formulated by the nomination and remuneration committee of the Board in this regard.

o) Route of administration of ESOS 2019/ Whether the scheme is to be implemented and administered directly by the Company or through a trust

The ESOS 2019 shall be implemented and administered directly by the Company under the guidance of nomination and remuneration committee of the Board.

p) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

q) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc

Not Applicable

r) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).

Not Applicable

s) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders, a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

t) Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing accounting guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time.

The Company shall also comply with the accounting policies and disclosure requirements as prescribed under Regulation 15 of the SEBI SBEB Regulations.

Further, the Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other Applicable Laws as in force.

As the ESOS 2019 provides for further shares to be offered to employees of the Company, consent of the shareholders is being sought to ratify and amend the ESOS 2019 as may be required, pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, as amended by way of a special resolution.

None of the directors, or key managerial personnel of the Company and their relatives are in any way, concerned or interested in this resolution, except to the extent of the securities that may be offered to them under the ESOS 2019.

The Board recommends the resolutions set out at Item No. 3 of this Notice for your approval as a special resolution.

Item No. 4: Approval of Fee payable for copies of inspection documents

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Directors recommends the resolution for approval of the Shareholders

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Item No. 5: Approval from members for nomination of one Investor Director as required under clause 18.2 of Articles of Association of the Company

As per Clause 18.2 of the Articles of Association of the Company “So long as the Investors collectively hold more than or equal to 10% (ten percent) of the post-issue Equity Share capital of the Company on a fully diluted basis, the Investors (jointly) will have a right to nominate 1 (one) Director (“Investor Director”) subject to approval of the Members of the Company by way of a Special Resolution in the first General Meeting held post the listing of the Equity Shares on the Exchanges and applicable law.”

As per clause 1.1 (I) of the Articles of Association of the Company, “Investors” shall mean Sequoia Capital India Investments IV and SCI Investments V.

Since the forthcoming AGM is the first AGM after the listing of Equity Shares on the Exchanges the shareholders approval will be required to be taken for appointment of Investor Director.

A copy of the Articles of Association (AOA) is available for inspection members by sending an email to secretarial@indigopaints.com.

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

Except for Ms. Sakshi Vijay Chopra, none of the Directors and the Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above resolution.

ANNEXURE A

Details of Director seeking appointment/ re-appointment in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

Name of the Director	Ms. Anita Hemant Jalan
Director Identification Number	00085411
Category	Executive Director
Date of Birth	September 03, 1960
Age	60 years
Nationality	Indian
Date of First Appointment on the Board	March 28, 2000
Relationship with Directors and KMPs	Spouse of Mr. Hemant Jalan, Managing Director
Qualifications	B.Sc in Home Science
Expertise in specific functional area.	CSR Activities and representing promoter interests
Details of Board Meetings attended by the director during 6 the year	
Terms and Conditions of Appointment or re-appointment along with remuneration	The terms and conditions of reappointment would be same as per the previous employment agreement. The remuneration payable would be Rs. 6,00,000/- Per Annum
Remuneration last drawn	Rs. 6,00,000/- Per Annum
Membership of Committees of Indigo Paints Limited	Member- Corporate Social Responsibility Committee.
List of Directorships held in other Companies (excluding NIL foreign, private and Section 8 Companies)	
Membership/ Chairmanship of Committees across other NIL Public Companies	





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