INDIGO

Be surprised!

July 18, 2024

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

Dear Sir/Madam,

**Sub: Submission of Notice of the 24th Annual General Meeting of Indigo Paints Limited along with the Annual Report for the Financial Year 2023-24:**

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 24th Annual General Meeting ('AGM') of Indigo Paints Limited ('the Company') scheduled to be held on Saturday, August 10, 2024 at 11:30 a.m. (IST) through Video Conference or Other Audio Visual Means and the Annual Report of the Company, including the Business Responsibility and Sustainability Report for the financial year 2023-24.

The Notice of the 24th AGM along with the Annual Report is being circulated by electronic mode, to all the eligible shareholders whose e-mail ids are registered with the Company and/or Depository Participant(s) and the physical copies of the same will be provided to the members on request.

The Notice of the 24th AGM and Annual Report for the financial year 2023-24 and are also available on the Company's website at https://indigopaints.com/investors/annual-reports/

Please take the above information on record.

Thanking you.

**For Indigo Paints Limited**

DAYEETA SHRINIVAS GOKHALE

Digitally signed by DAYEETA SHRINIVAS GOKHALE
Date: 2024.07.18 17:46:11 +05'30'

**Dayeeta Gokhale**
**Company Secretary and Compliance Officer**

**Encl – as above**

Indigo Paints Limited
Annual Report 2023-24

INDIGO
Be surprised!

# Vibrant shades of Outperformance

- *Accelerating industry-leading growth*
- *Expanding product suite*
- *Augmenting business profitability*
- *Fostering a sustainable tomorrow*

## CORPORATE OVERVIEW


| | |
|---|---|
| 002 | About us |
| 004 | Products |
| 006 | Chairman and Managing Director's Message |
| 008 | Key innovations in FY24 |
| 012 | Existing and upcoming plants |
| 014 | Apple Chemie India Pvt. Ltd. |
| 016 | Financial performance |
| 018 | Business model |
| 020 | Supply chain |
| 022 | Brand promotion |
| 024 | Outperformers who help us succeed |
| 025 | Commitment to Sustainability |
| 042 | Empowering communities |
| 044 | Board of Directors |
| 048 | Corporate information |


## STATUTORY REPORTS


| | |
|---|---|
| 049 | Management Discussion & Analysis |
| 059 | Board Report |
| 080 | Corporate Governance Report |
| 103 | Business Responsibility and Sustainability Report |


## FINANCIAL STATEMENTS


| | |
|---|---|
| 131 | Standalone Financial Statements |
| 194 | Consolidated Financial Statements |
| **Notice of the AGM** | |
| 263 | Notice |


01

### CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Our esteemed customers have made us an industry-leading brand and we are grateful to them for being supportive of our innovative initiatives. We are committed to drive forward our vibrant innovation engine to strengthen our market reputation and recall.

02

### OUTPERFORMERS WHO HELP US SUCCEED

At Indigo Paints, we believe our vibrant team of innovators and go-getters propel our business forward. Our Company thrives on innovation and customer satisfaction, which is made possible by the dedication and expertise of our talented employees.

For more information, please, visit our website **www.indigopaints.com**



At Indigo Paints, we always dare to be different in our thought and action; and this strategy has enabled us to outperform in a highly competitive industry scenario. Our portfolio of differentiated products caters to the diverse aspirations of a wide spectrum of consumers across the socio-economic pyramid.

Our innovation engine chugs along at full throttle. The result is that we have been the first company to introduce many category-creator products in the decorative paint market in India. Other unique products include Dirtproof and Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and PU Super Gloss Enamel, which impart value-added properties.

From water proofing to construction chemicals, we launched a wide array of innovative offerings following the acquisition of Apple Chemie India Pvt. Ltd. At the same time, we are fortifying our footprint in Tier 3 and Tier 4 cities and fast growing in Tier 1 and Tier 2 cities, reaching out to untapped market segments. With the government's massive infrastructure spending plan and the established client base, Apple Chemie is primed to become a pan-India player.

WE ARE LAUNCHING NEW PRODUCTS, AUGMENTING CAPACITIES, BUILDING A PAN-INDIA BRAND, EXPANDING INTO ADJACENCIES AND ABOVE ALL DECARBONISING OPERATIONS AND EMPOWERING COMMUNITIES AS A RESPONSIBLE BUSINESS. THESE ARE THE VIBRANT SHADES OR FACETS OF OUR OUTPERFORMANCE, WHICH ARE ENABLERS OF OUR

# INDIGO PAINTS 2.0 STRATEGY.

About us

# Achieving milestones with flying colours

IN JUST OVER TWO DECADES, INDIGO PAINTS HAS EMERGED AS ONE OF THE FASTEST GROWING DECORATIVE PAINTS COMPANIES IN INDIA, OUTPERFORMING THE INDUSTRY GROWTH.

We commenced our journey in the year 2000 as a Company focused on a single product: cement paint. Today, we have evolved into one of the fastest-growing providers of decorative paints, catering to both interior and exterior applications. Our growth is powered by innovation is driven by passion for quality and eco-friendly solutions.

Our portfolio comprises a variety of advanced products, including metallic emulsions, tile coat emulsions, bright ceiling coat emulsions and floor coat emulsions, among others. We recently forayed into the construction chemicals and water proofing segment (WPCC), with the acquisition of Apple Chemie India Pvt. Ltd.

## Our differentiators

- Building on a strong foundation of business acumen, we foster innovative product development, while preserving a sense of curiosity and awe. Indigo Paints has stood out in a highly competitive market environment, creating a niche space for itself.
- Has maintained a vibrant track record of launching category-creator products in the decorative paints segment.
- Followed a differentiated approach of first building a strong reputation and customer loyalty in Tier 3 and Tier 4 cities and subsequently expanding in Tier 1 and Tier 2 cities.
- Focused on building stronger relationships with channel partners.

## KPIs

**5**
Manufacturing plants

**18,000+**
Active dealers

**53**
Depots

**3x-4x**

Present across
**28**
states in India

**Since acquisition, Apple Chemie has grown over 24% compared to FY23; and the growth is expected to accelerate further.**

**₹130,609** Lakhs
Revenue from operations for FY24

**₹23,807** Lakhs
EBITDA in FY24
**(Y-o-Y 31.14%)**

**₹14,883** Lakhs
PAT in FY24
**(Y-o-Y 28.73%)***

**Adjusted for reversal of ₹1,633 Lakhs excess tax provision in FY23*

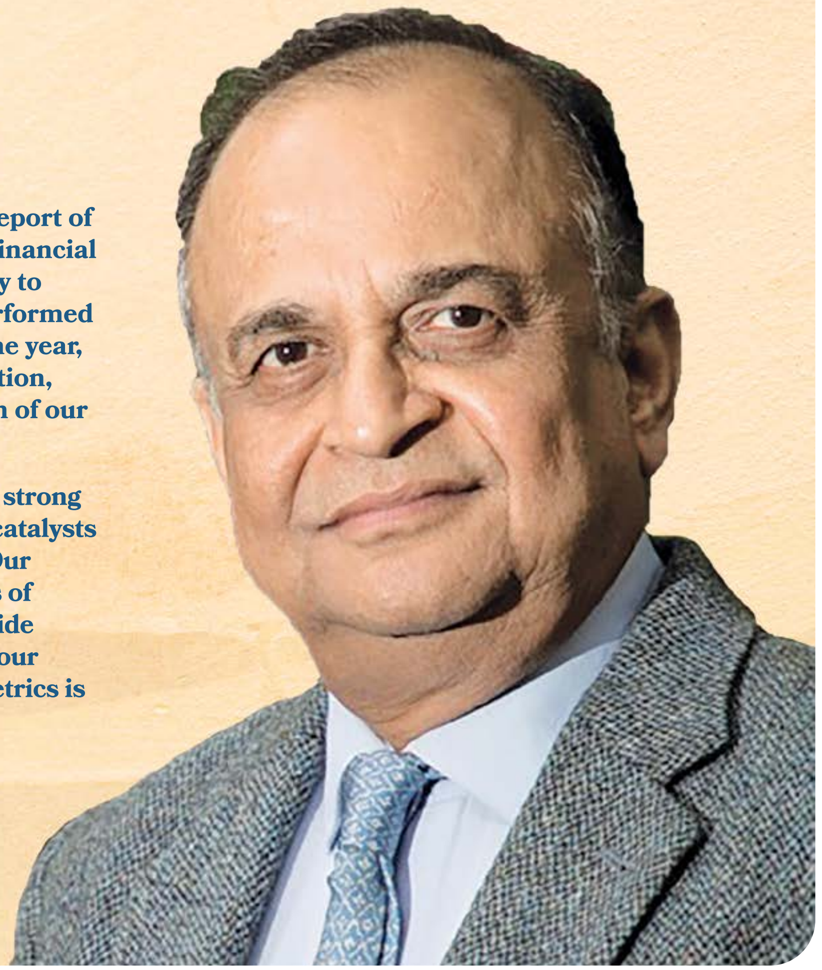
Products

# A vibrant range of offerings

## Waterproofing and Construction Chemicals (WPCC)

## Chairman and Managing Director's

# Message



**Dear shareholders,**

**I am delighted to present the annual report of your Company's performance for the financial year 2023-24 (FY24). You will be happy to know that we have consistently outperformed industry growth by 3-4 times during the year, building on the strength of our innovation, consumer outreach and the dedication of our teams.**

**I would also like to emphasise that our strong business fundamentals have been the catalysts of our industry-leading performance. Our solutions resonate with the aspirations of millions of citizens, reaching far and wide across the vast landscape of India and our outperformance across all financial metrics is an outcome of this vibrant reality.**

**21.68%**
Our topline growth in FY24

### Encouraging business performance

On a consolidated basis, our topline growth of 21.68% for the fiscal year FY24 significantly outpaced the low single digit industry average growth; and have achieved a total net revenue of ₹ 1,30,609 Lakhs. Our consolidated EBITDA for the full year expanded by 31.14% to ₹ 23,807 Lakhs in FY24. This robust performance can be attributed to our strategic initiatives, product innovations and strong brand equity enabling us to capture a larger market share, despite moderate demand.

On a standalone basis, our focus on operational efficiencies and cost optimisation measures converted into increased profit margins, with EBITDA margins expanding over 150 basis points to 18.54% for FY24. Additionally, our PAT for the full year rose to ₹ 14,865 Lakhs and PAT margin was 11.72%, despite a significantly higher depreciation burden in the second-half of the year. This reflects our ability to manage expenses and drive bottom-line growth effectively.

During FY24, we demonstrated prudent fiscal management by reducing our overall advertising and promotion (A&P) expenditure as a percentage of revenue from 7.70% in FY23 to 7.36% in FY24. Our fiscal position remains strong, underpinned by healthy cash flows and disciplined working capital management. Our robust balance sheet continues to position us for long-term sustainable growth.

Our operational excellence is reflected by strong double-digit growth across all four segments. The synchronised growth in value and volume across all categories, reflects our dedication to margins sustainable and balanced business development.

### Strategic priorities

Our strategic priorities are centred around driving product innovation, geographic expansion and capacity augmentation to fuel our future growth trajectory. We are developing differentiated products that cater to evolving consumer preferences, enabling us to gain market share in the highly competitive decorative paint industry. Additionally, our focus on inorganic growth initiatives will further diversify our product portfolio, strengthening our market position.

Geographical expansion is a key area of focus for us, with concerted efforts to deepen our presence in Tier I and Tier II cities. We are solidifying our engagement with painters and contractors and leveraging their expertise and reach to penetrate new markets. In addition, we are investing in capacity expansions, with civil works underway for new water-based and solvent-based paint plants in Jodhpur, alongside plans to double our putty manufacturing capacity at the existing facility. These investments will enhance our production capabilities and assist us to meet the growing demands through our diverse product offerings.

Our expansion initiatives have played a pivotal role in strengthening our market presence and enhancing operational capabilities. With an active dealer base of 18,105, we have expanded our reach and fortified our distribution network, enabling us to cater to diverse customer segments effectively. Moreover, the addition of approximately 1,600 tinting machines has empowered our dealers to offer a wider range of colour options, catering to evolving consumer preferences. Furthermore, the establishment of six new depots has optimised our supply chain, ensuring timely delivery and improving our service standards across the country.

Our focus on waterproofing and construction chemical products has yielded positive results, contributing in mid-single-digit to our revenue share Q4 FY23-24, with strong sales traction across multiple states. Moreover, we continue to invest in brand building through advertising and promotion campaigns, enhancing brand equity and strengthening our market position.

### Products diversity

Our portfolio of differentiated and innovative products have been a key driver of our growth, contributing disproportionately to our gross margin. As the first Company to introduce category-creator products such as Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions and Floor Coat Emulsions in the Indian decorative paint market, we have established ourselves as industry pioneers. Furthermore, our basket of unique offerings, including Dirtproof and Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and PU Super Gloss Enamel, has enabled us to provide value-added properties, thereby enhancing our brand equity and customer loyalty.

### Focus on brands and outreach

Our brand and marketing strategies are pivotal in driving consumer awareness and engagement. We are ramping up our salesforce to strengthen our on-ground presence and deepen relationships with customers. Additionally, we are stepping up brand promotion activities and collaborating with influencer communities to amplify our brand's reach and resonance. Additionally, we are increasing customer engagements through digital channels, leveraging the power of technology to connect with our audience.

Recognizing the growth potential in adjacent segments, we are expanding our footprint beyond the decorative paint market. Our foray into construction chemicals and waterproofing solutions presents a significant opportunity to diversify our revenue streams. Moreover, through our subsidiary, Apple Chemie India Pvt. Ltd, we are tapping into the high-growth infrastructure segment in India. This move enables us to capitalise on the burgeoning infrastructure development in the country, positioning us for sustainable long-term growth.

### Broadening our sustainability initiatives

As responsible corporate citizens, we are improving our environmental, social and governance (ESG) performance. We have undertaken several sustainability initiatives, including deployment of electric vehicles for last-mile delivery to reduce our carbon footprint. We have also planned to install solar panels at our existing manufacturing facilities and head office to promote green energy. An emission reduction target has been set with the Science-Based Targets initiative, demonstrating our dedication to combating climate change to the best of our abilities.

Our CSR efforts are focused on empowering communities and providing essential services. We have extended educational assistance to over 300 underprivileged girls in and around Pune. In Kochi, we have partnered with Cancure Foundation to provide free dialysis and palliative care to the underprivileged sections of society. Additionally, we have extended health insurance coverage to over 1,000 families of the painter community in Bihar and are expanding this initiative to cover 1,600 more families in Odisha and Chhattisgarh, highlighting our resolve towards community welfare.

### Way forward

Our esteemed customers have made us an industry-leading brand and we are grateful to them for being supportive of our innovative initiatives. We are committed to drive forward our vibrant innovation engine to strengthen our market reputation and recall. We have an ambitious capex plan and our commissioned infrastructure is anticipated to be sufficient to cater to the upcoming demand for the next five years.

Powered by the dedicated effort of our teams and our customer-centric strategies, we are well positioned for growth in a favourable macro environment characterised by fast urbanisation and a growing aspirational demography with higher disposable income.

In conclusion, I express my gratitude to our stakeholders for their continued support and faith in Indigo Paints. Together, we will seize opportunities to build a stronger and more vibrant future for all stakeholders.

Regards,

**Hemant Jalan**
Chairman and Managing Director

**Key innovations in FY24**

# Innovations that shine, excellence that stands out

**In FY 24, we launched a new segment for water proofing and construction Chemicals - 'Protect Plus'.**

### Damp Seal Primer

Protects the wall by providing resistance against water seepage. For both Interior and Exterior walls.



### Crack Heal Paste

Crack Heal Paste has excellent bonding on absorbent surfaces with crack bridging ability for plaster cracks of up to 3 mm and also a water resistant film.

### Aquashield

Easily penetrates small pores in the plaster to prevent water from entering, leaving the wall free from damp.



### Superseal

Based on special polymers, it provides strength, corrosion resistance, water permeability and good work-ability to concrete/ plaster/mortar.


### Polyrepair

Works both as a repairing and bonding agent as it bonds old and new concrete surfaces with plaster.


### DampStop 2K

Designed to handle both positive and negative side waterproofing

**DURING FY 24, OUR FOCUS ON WATERPROOFING AND CONSTRUCTION CHEMICAL PRODUCTS HAVE STARTED YIELDING ENCOURAGING RESULTS WITH MID-SINGLE DIGIT CONTRIBUTION TO THE REVENUE PIE IN Q4 FY 24; ADDITIONALLY, WE ARE WITNESSING STEADY SALES TRACTION IN MANY STATES FOR THESE PRODUCTS. WE EXPECT FURTHER SALES GROWTH IN THESE PRODUCTS IN THE COMING YEARS.**

Existing and upcoming plants

# Charting new territories

PURSUANT TO STRATEGY 2.0, WE SHIFTED OUR ATTENTION TO OUR EXPANSION PLANS IN TIER-1 AND TIER -2 CITIES, THUS NURTURING OUR GROWTH ENDEAVOURS.

## Our state-of-the-art manufacturing plants

**Water Based**

**Jodhpur**
Location

**54,000**
Capacity (KLPA/MTPA)

**Pudukkottai**
Location

**50,000**
Capacity (KLPA/MTPA)

**Kochi**
Location

**42,500**
Capacity (KLPA/MTPA)

**Solvent Based**

**Pudukkottai**
Location

**13,500**
Capacity (KLPA/MTPA)

**Powder Based**

**Jodhpur**

**1,38,000**
Capacity (KLPA/MTPA)


Existing Plants  Upcoming Plants

*Map not to scale. Only for representation purpose*

## Growing with the future

We are investing in capex with agility and are making steady progress in the new water-based and the solvent-based paint plants being set up in Jodhpur, Rajasthan. We are also aiming to double our putty manufacturing capacity at our existing facility in Jodhpur

**Location : Jodhpur**
**Solvent plant**
Proposed capacity of
**12,000** KLPA/MTPA

**Location : Jodhpur**
**Water based plant**
Proposed capacity of
**90,000** KLPA/MTPA

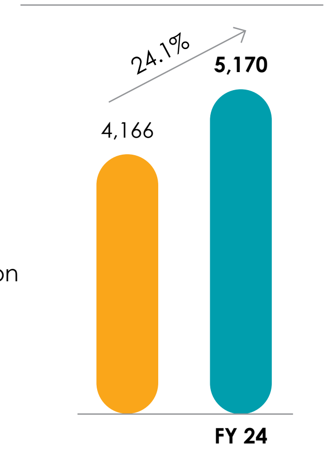
**Location : Jodhpur**
**Powder based plant**
Proposed capacity of
**1,38,000** KLPA/MTPA

**Apple Chemie India Pvt. Ltd.**

# Beyond decorative paints

- Water Proofing and Construction Chemicals launched under Indigo Paints brand harnessing technical expertise from Apple Chemie.
- Apple Chemie continues to focus on B2B segment, predominantly in the Indian infrastructure segment, expanding beyond Maharashtra.
- Apple Chemie has supplied materials for key projects such as the Versova Bandra Sealink, Mumbai Trans Harbour, CIDCO PMAY, Samruddhi Mahamarg, Atal Setu, Goa etc.
- Apple Chemie, which was predominantly operating in Maharashtra before its acquisition by Indigo Paints, has now set up marketing teams in states such as Karnataka, Bihar, Telangana, Tamil Nadu, Orissa, West Bengal, Madhya Pradesh and Delhi (NCR Region).

Revenue (₹ in Lakhs)

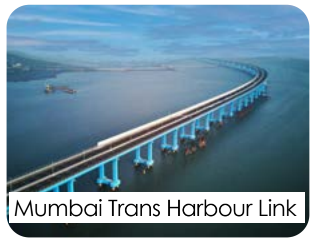




Manufacturing Plant

**Apple Chemie business presence**
- Telangana • Tamil Nadu • Orissa
- West Bengal • Madhya Pradesh
- Delhi • Maharashtra • Bihar • Karnataka


Versova Bandra Sea Link


Mumbai Trans Harbour Link


CIDCO PMAY


Atal Setu, Goa

### Financial performance

# Outperformance that raises industry benchmark

**Revenue from operations**
(₹ in Lakhs)

| | |
|---|---|
| FY 20 | 62,479 |
| FY 21 | 72,332 |
| | 90,597 |
| FY 23 | 107,333 |
| **FY 24** | **130,609** |

**EBITDA**
(₹ in Lakhs)

| | |
|---|---|
| FY 20 | 9,099 |
| FY 21 | 12,252 |
| FY 22 | |
| FY 23 | 18,153 |
| **FY 24** | **23,807** |

**EBITDA margin**
(in %)

| | |
|---|---|
| FY 20 | 14.56 |
| FY 21 | 16.94 |
| FY 22 | 15.01 |
| FY 23 | 16.91 |
| **FY 24** | **18.23** |

**PAT**
(₹ in Lakhs)

| | |
|---|---|
| FY 20 | 4,781 |
| FY 21 | 7,085 |
| FY 22 | 8,405 |
| FY 23 | 13,194 |
| **FY 24** | **14,883** |

**PAT Margin**
(in %)

| | |
|---|---|
| FY 20 | 7.65 |
| FY 21 | 9.80 |
| FY 22 | 9.17 |
| FY 23 | 12.18 |
| **FY 24** | **11.27** |

**ROCE**
(in %)

| | |
|---|---|
| FY 20 | 34.33 |
| FY 21 | 18.84 |
| FY 22 | 18.42 |
| FY 23 | 20.90 |
| **FY 24** | **22.67** |

**RoNW***

| | |
|---|---|
| FY 20 | 24.27 |
| FY 21 | 12.57 |
| FY 22 | 12.93 |
| FY 23 | 17.00 |
| **FY 24** | **16.50** |

**Cash from operations**
(₹ in Lakhs)

| | |
|---|---|
| FY 20 | 8,476 |
| FY 21 | 13,776 |
| FY 22 | 9,103 |
| FY 23 | 14,054 |
| **FY 24** | **21,026** |

**EPS**
(in ₹)

| | |
|---|---|
| FY 20 | 10.61 |
| | 15.55 |
| FY 22 | 17.67 |
| FY 23 | 27.73 |
| **FY 24** | **30.95** |

**Dividend per share**
(in ₹)

| | |
|---|---|
| FY 22 | 3.00 |
| FY 23 | 3.50 |
| **FY 24** | **3.50** |

Note: Numbers on Consolidated Basis
*Refer to page 056

**Business model**

# Amplifying value for all stakeholders

INPUT → VALUE CREATION PROCESS → PRODUCT OFFERINGS → OUTPUT → SDG LINKAGES

## INPUT

### Financial Capital

- ₹ **90,214** Lakhs Total equity
- Net Debt Free Company

### Manufacturing Capital

- **5** Manufacturing units
- **53** Depots
- **9,842** Tinting machines

### Intellectual Capital

- Sustained investments in branding and R&D

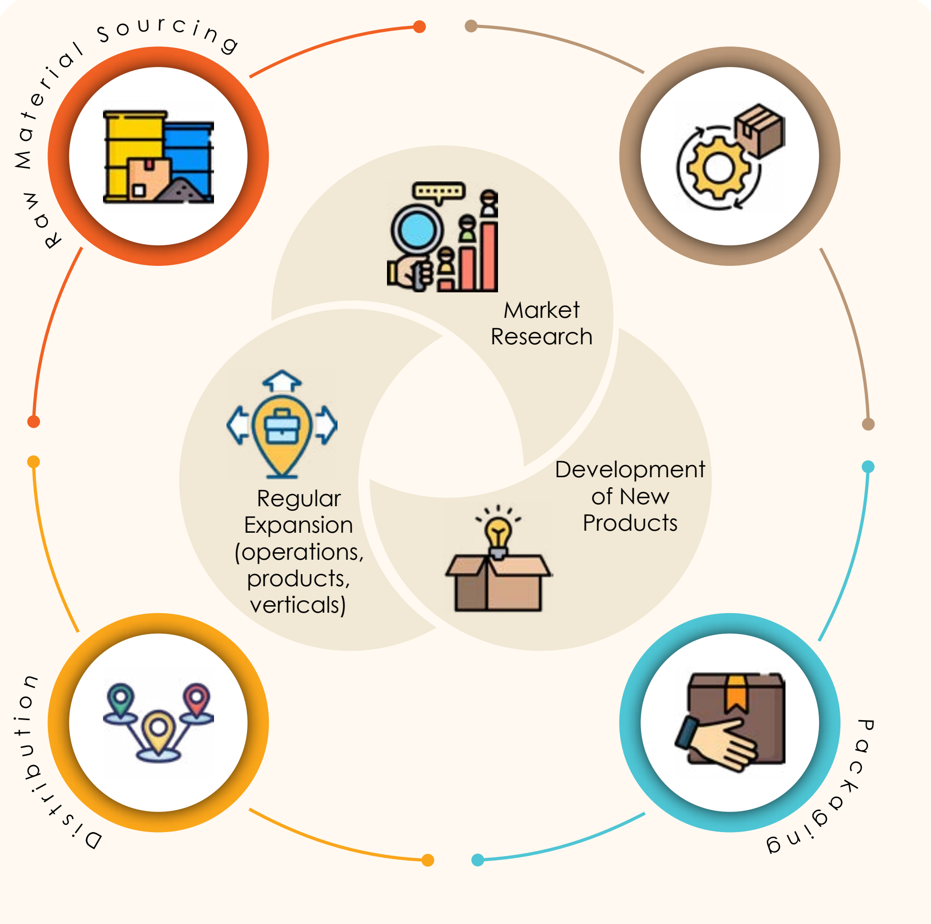
### Social and Relationship Capital

- Presence in **28** States
- **18,105** Active dealers
- **₹ 235 Lakhs** CSR investment

### Natural Capital

- **23,597 GJ** Total Energy Consumption
- **0.11 GJ/KL of FG** Specific Energy Consumption
- **2,979 KL** Total Rainwater Harvested
- **5,106 KL** Total Water Recycled
- **4,649 tCO2e** Total Scope 1 and 2 Emissions
- **1,083 tonnes** Total Waste Recycled
- **3.7 tCO2e/crore** Emission Intensity

## VALUE CREATION PROCESS




### Stakeholders impacted

- Customers
- Dealers
- Investors
- Employees
- Communities

## PRODUCT OFFERINGS

- Cements+Putty
- Primers+Distempers +Others
- Emulsions
- Construction Chemicals
- Enamels+Wood Coatings
- Waterproofing Chemicals

## OUTPUT

### Financial Capital

- **1,30,609** lakhs Turnover
- **23,807** lakhs EBITDA
- **14,883** lakhs PAT

SDG linkages: 8, 9

### Manufacturing Capital

- Existing capacity**1,60,000 KLPA+1,38,000 MTPA**
- Capacity with the new launches **2,62,000 KLPA+2,76,000 MTPA**
- Additional capacity to be added **1,02,000 KLPA+1,38,000 MTPA**

SDG linkages: 9

### Intellectual Capital

- **6** products launched in FY 24

SDG linkages: 8, 9, 12

### Social and Relationship Capital

- **₹ 1,667** Lakhs Dividend payment (Paid out in FY 24)
- **4,924** Direct CSR beneficiaries

SDG linkages: 3, 4, 5, 8, 16

### Natural Capital

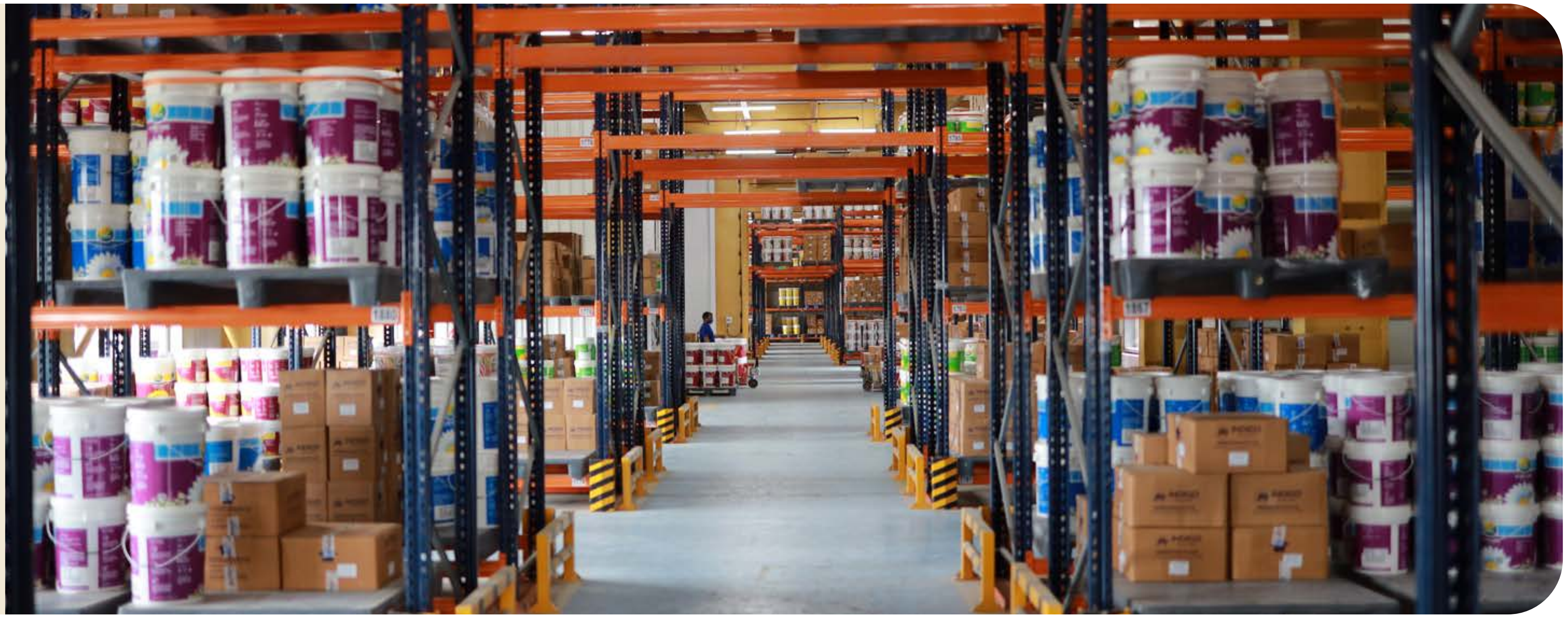
- **3%** Reduction in Specific Energy Consumption
- **96%** Increase in Water Harvesting
- **87%** Increase in Water Recycling
- **13%** Reduction in Emission Intensity
- **70%** Increase in Waste Recycling

SDG linkages: 7, 11, 12, 13

**Supply chain**

# Bolstering our distribution network

AT INDIGO PAINTS, WE UNDERSTAND THAT A STRONG NETWORK AND DISTRIBUTION MECHANISM ARE THE PRINCIPAL CATALYSTS FOR OUR GROWTH. WE HAVE INVESTED SIGNIFICANTLY IN BUILDING A ROBUST DISTRIBUTION INFRASTRUCTURE THAT REACHES EVERY CORNER OF INDIA.



For the past two decades, we have leveraged robust network and distribution methods, establishing a strong presence in small towns across the country. Recognising the crucial role dealers play in influencing consumer choices, especially in Tier 3, Tier 4 cities and rural areas, we are continuing to foster strong relationships with our channel partners in these regions. This strategy has helped us build brand loyalty and trust with our addressable market.

We have identified significant opportunities for growth in tier-1 and tier-2 cities. Our market penetration strategy in these areas is multi-pronged. We are establishing an extensive network of depots, bringing us closer to our customers in these key markets.

## What is DECOR CLUB

Specifically designed for painters and contractors, who can now easily manage registration, access trade promotions and loyalty programmes with the Indigo Decor Club app, which offers a seamless experience through barcode scanning, point accumulation and reward redemption.

### Depots
(in numbers)

| | |
|---|---|
| FY 21 | 44 |
| FY 22 | 47 |
| FY 23 | 47 |
| **FY 24** | **53** |

### Active dealer network
(in numbers)

| | |
|---|---|
| FY 21 | 13,214 |
| FY 22 | 15,787 |
| FY 23 | 16,496 |
| **FY 24** | **18,105** |


Our tinting machine has a unique design that sets us apart from our peers. Our tinting machine features an inbuilt computer which allows us to be more efficient and forgo the use of a separate machine for the process of mixing paints.

### Tinting Machines

In the world of paints, colour is a crucial element for business sustenance. Therefore, to cater to our customers' diverse needs, we have introduced tinting machines that offer boundless colour possibilities and flexibility. These machines allow us to create a vast array of custom colours in-store, ensuring that our customers can find the perfect shade to match their taste.

**9,842**
Tinting Machines

### Number of Tinting Machines y-o-y

| | |
|---|---|
| FY 21 | 5,472 |
| FY 22 | 7,101 |
| FY 23 | 8,273 |
| **FY 24** | **9,842** |

**Brand promotion**

# Reaching out to millions with a splash of colours

AT INDIGO PAINTS, WE ACKNOWLEDGE THE POWER OF IMPACTFUL BRANDING. WE UNDERSTAND THAT A POWERFUL BRAND IMAGE IS NOT JUST ABOUT VISIBILITY, BUT ABOUT CREATING LASTING IMPRESSIONS AND BUILDING MEANINGFUL CONNECTIONS WITH OUR CUSTOMERS. OUR COMMITMENT TO DISTINCTIVE, STRATEGIC BRANDING IS A CORNERSTONE OF OUR SUCCESS AND GROWTH.


**In FY25 and beyond, we are planning to increase our A&P spends by supplementing our TV advertising expenditure with significant spends on digital media.**

## Grabbing eyeballs


We aim to increase our online presence and build a stronger connection with customers through enhanced digital engagement. The digital landscape is constantly evolving and we are committed to staying ahead of the curve by leveraging innovative online platforms.


## Social media performance

| Facebook | Instagram | YouTube | X | LinkedIn |
|---|---|---|---|---|
| 8.8L Followers | 17.8K Followers | 19.3K Followers | 10.9K Followers | 35K Followers |

## Advertisement and promotions

(in Lakhs)

| | |
|---|---|
| FY 22 | 8,806 |
| FY 23 | 8,270 |
| **FY 24** | **9,232** |


**1.28lakh**
Visitors per month

## Outperformers who help us succeed

AT INDIGO PAINTS, WE BELIEVE OUR VIBRANT TEAM OF INNOVATORS AND GO-GETTERS PROPEL OUR BUSINESS FORWARD. OUR COMPANY THRIVES ON INNOVATION AND CUSTOMER SATISFACTION, WHICH IS MADE POSSIBLE BY THE DEDICATION AND EXPERTISE OF OUR TALENTED EMPLOYEES.

**1,112**
Number of employees

**7.62**
(% of the Revenue)

We foster a dynamic and inclusive work environment where individuals can thrive and reach their full potential. With a youthful energy, our team thrives on teamwork, collaboration and collective growth. This approach allows us to be nimble and adaptable, constantly seeking new ways to serve our customers and stay ahead of the curve in the ever-evolving paint industry.

We understand that a happy and motivated workforce is essential for long-term success. That is why we are committed to providing competitive compensation and benefits packages, along with opportunities for professional development and career growth. Our focus on training and skill development ensures our employees have the tools and resources they need to excel in their roles and contribute meaningfully to the Company's goals.





## Commitment to Sustainability

FOR INDIGO PAINTS, 'COMMITTED TO SUSTAINABILITY' IS NOT JUST A PHRASE, IT IS A VALUE THAT HAS BEEN INGRAINED IN OUR BUSINESS DNA. WE HAVE INTEGRATED SUSTAINABILITY INTO OUR CORE BUSINESS STRATEGIES, EMPHASISING TRANSPARENCY, MAINTAINING STRONG CONSUMER RELATIONSHIPS AND ALIGNING OUR ACTIONS WITH OUR VARIED SHAREHOLDERS' INTERESTS.

Indigo Paints aims to make a lasting positive impact on the environment and the society by addressing key material topics and by steadily expanding its initiatives. Together with our stakeholders, we aspire to contribute towards a sustainable and a greener future.

### Importance of materiality assessment

Through a comprehensive materiality assessment, we have identified key environmental, social and governance (ESG) issues important to our stakeholders and prioritised them for this year.

### Stakeholders engaged

- Senior Management
- Investors and shareholders
- Employees
- Suppliers
- Customers
- Community

### Identified materiality topics

The assessment identified nine essential material topics, grouped into four areas:

**01** Sustainable Operations
- Energy Management
- GHG Emissions

**02**

**03** Well-being and Social Impact
- Community Welfare
- Health and Safety

**04** Governance and Ethics
- Board Structure and Management
- Risk Management
- Code of Conduct

## Strategic focus for the current year


## Future Directions

As we progress on our sustainability journey, we remain dedicated to all identified material topics. While we prioritised only specific areas this year, we understand the relevance of all the topics. Thereby, in the coming years, we aim to expand our efforts to align with evolving stakeholder expectations and sustainability goals.

## Alignment with SDGs


## Our Approach on Materiality

### Materiality 1:

**Sustainable operations**

- Committed to SBTi to set science-based targets within two years
- Conducted energy audits at Jodhpur and Cochin facilities
- Implemented energy audit recommendations
- 20kW solar power system installation under progress at Pune Headquarters
- Targeting installation of 1 MW solar power plants at Kochi and Pudukkottai facilities
- Launched an EV pilot for last mile delivery, with plans for expansion
- Maintaining 4,591 plants/trees at Pudukkottai, offsetting 4,591 $tCO_2e$

### Materiality 2:

**Resource stewardship**

- Prioritising rainwater and recycled water use
- Focusing on reducing plastic waste
- Met CPCB target by recycling tonnes of plastic waste
- Increasing waste recycling efforts
- Diverting waste from landfills

### Materiality 3:

**Well-being and social impact**

- Prioritising community development
- Upholding a robust code of conduct
- Advocating for human rights and safe working conditions
- Installed air showers at Pudukkottai for factory employees. Our Jodhpur plant also has similar plans in place
- Promoting equality and diversity
- Achieved zero accidents in FY 2023-24

### Materiality 4:

**Governance and ethics**

- Established an ESG committee
- Board oversight with regular reviews
- Compliance with all statutory requirements and regulations

As a conscientious paint company, our core mission is to deliver value through our exceptional, durable and environment-friendly products. We understand the intrinsic value of natural resources and therefore, its conservation plays an integral role in our business. We are committed to minimising the negative environmental impact of our operations while maximising positive contributions to society. Our core objectives include increasing the use of clean energy in operations, implementing efficient waste management practices and optimising resource use. Through these efforts, we strive for maximum effectiveness in our environmental protection initiatives.

# ENVIRONMENT

## Energy management

Our commitment towards environmental stewardship encourages us to reduce our energy consumption. As energy optimisation is crucial to our environmental management system, we continuously monitor our energy performance across all plants to ensure we live up to our commitment. Additionally, we prioritise integrating renewable energy sources and implementing energy-saving equipment throughout our business operations.

## Initiatives taken

- Conducted **energy audits** at Jodhpur and Kochi facilities
- Implementing audit recommendations and installed **energy-efficient, high-tech equipment**
- **20 kW solar power system** installation under progress at our Pune Headquarters
- Exploring installation of **1 MW solar power plants** for Cochin and Pudukkottai facilities

## Outcome

- Reduction in specific energy consumption by **3%** as compared to last year

## Performance

### Energy Consumption, GJ
(Electricity + Fuel)

| | |
|---|---|
| FY 20 | 10,550 |
| FY 21 | 14,972 |
| FY 22 | 16,532 |
| FY 23 | 18,329 |
| **FY 24** | **23,597** |

### Specific Energy Consumption
(GJ/KL of FG)

| | |
|---|---|
| FY 20 | 0.10 |
| | 0.12 |
| FY 22 | 0.13 |
| FY 23 | 0.12 |
| **FY 24** | **0.11** |

### Energy Intensity per unit Revenue
(GJ/KL of FG)

| | |
|---|---|
| FY 20 | 16.89 |
| FY 21 | 20.70 |
| FY 22 | 18.25 |
| FY 23 | 17.08 |
| **FY 24** | **18.80** |

## Way forward

- **Commitment to Making All Manufacturing Plants Accessible to Renewable Energy by FY 2028**
  - Working towards achieving this target
  - Planning to install 1 MW of solar power this year in Cochin and Pudukkottai
  - Ahead of schedule and expect to achieve the goal before FY 2028
- **Committed to reducing specific energy consumption by 3% Y-o-Y, effective immediately from FY 2024**
  - Dedicated to improving energy efficiency and minimising energy consumption
  - Conducted energy audits at Cochin and Pudukkottai plants.
  - Consistently enhancing operational efficiency, reducing energy costs and mitigating any climate change
- **Increasing investment in sustainable and energy-efficient processes**
  - Implementing energy audit recommendations with investments in energy-efficient equipment such as motors.
  - Exploring additional opportunities to further these initiatives in the coming years.

## GHG emissions

At Indigo Paints, we are committed to minimising our carbon footprint. Our relentless initiatives to streamline processes and enhance energy efficiency reflect our dedication to environmental stewardship. Through these efforts, we remain steadfast in lowering GHG emissions and contributing to a greener future.

## Initiatives taken

- Engaged a third-party to assess and monitor our **GHG footprint**
- Started measuring our scope 3 emissions, starting with the transport and distribution category
- Maintaining **805 trees** within our new Pudukkottai facility during FY 23-24, which has offset capacity of ~805 tCO2e
- Maintaining a green belt of approximately **3786 trees** on a 7.76-acre land provided by SIPCOT
- Investing heavily in **renewables and energy-efficient equipment** to reduce our scope 2 emissions

## Outcome

- Reduction in scope 1 and 2 emission intensity per unit production by **23%** as compared to last year
- Reduction in scope 1 and 2 emission intensity per unit revenue by **13%** as compared to last year

## Performance

### Emission, Scope 1 + Scope 2
(tCO2e)

| | |
|---|---|
| FY 20 | 2,559 |
| FY 21 | 3,700 |
| FY 22 | |
| FY 23 | 4,561 |
| **FY 24** | **4,649** |

### S1 and S2 Emission Intensity Per Unit Production
(tCO2e/KL of FG)

| | |
|---|---|
| FY 20 | 0.02 |
| FY 21 | 0.03 |
| FY 22 | 0.03 |
| FY 23 | 0.03 |
| **FY 24** | **0.02** |

### S1 and S2 Emission Intensity Per Unit Revenue
(tCO2e/crore revenue)

| | |
|---|---|
| FY 20 | 4.10 |
| FY 21 | 5.12 |
| FY 22 | 4.53 |
| FY 23 | |
| **FY 24** | **3.71** |

### S3 Emission from Transportation
(tCO2e)

| | |
|---|---|
| FY 23 | 26,507 |
| **FY 24** | **33,094** |

### S3 Emission Intensity Per Unit of Goods Transported
(tCO2e/KL of Goods)

| | |
|---|---|
| | 0.15 |
| **FY 24** | **0.14** |





## Way forward

**Setting Science-Based Targets to Reduce GHG Emissions**

- Committed to Science Based Targets Initiative (SBTi) to set ambitious and measurable science-based targets aligned with global climate goals
- Actively working with our partner, Sprih, to develop achievable targets
- Continuous monitoring of emissions and implementation of reduction measures aligned with our targets
- Focusing on continuous improvement and innovation to enhance operational efficiency and reduce environmental impact

**Measure and Analyse Major Scope 3 Emissions**

- Started measuring scope 3 emissions from Transportation and Distribution
- Expanding scope 3 boundary in the future to identify major emission sources within the value chain
- Collaborating with suppliers and business partners to implement emission reduction measures.

**Aim to Reduce Transportation Emissions and Promote expand Adoption in Supply Chains**

- Started an EV pilot for transporting finished goods from depot to dealers (last mile)
- Planning for broader implementation based on pilot feasibility
- Actively promoting and supporting EV adoption among suppliers and business partners

**Aim to Become Net Zero by 2050**

- Implementing a holistic approach combining emission reduction measures, energy efficiency improvements, renewable energy adoption and innovative technologies
- Continuous monitoring, setting science-based targets and reducing carbon footprint to eliminate GHG emissions from operations

## Water management

We relentlessly pursue initiatives to conserve water, the elixir of life. At Indigo Paints, we believe in taking proactive measures, continually making progress in our water conservation efforts. By enhancing our practices, we aim to positively impact sustainable water management and contribute our bit to nurture a greener future.

### Initiatives taken

- Implemented **rainwater harvesting** systems across all manufacturing plants
- Installing water meters, initially focusing on our newly developed plants' **Sewage Treatment Plants (STPs)** and **Effluent Treatment Plants (ETPs)** for efficient monitoring
- Installed a **100 KL** tank at the Cochin plant to harvest rainwater last year, resulting in a **96%** increase in water harvesting this year

### Performance

**Water Consumption**
(KL)


**Specific Water Consumption**
(KL/KL of FG)


**Rainwater Harvesting**
(KL)


**Water Recycled**
(KL)


### Outcome

- We conserved over **2,979 KL** water this year from rainwater harvesting
- **5,106 K**L of water was recycled at manufacturing plants in FY 23-24

### Way forward

- **Increased Usage of Recycled Water**
  - New Pudukkottai plant is equipped with **advanced water treatment and recycling systems**
  - Reduction in freshwater dependency, enhancing contribution to the circular economy
- **Increased Usage of Rainwater**
  - Expanding capacity of **rainwater harvesting systems** across facilities
  - Rainwater used for **manufacturing, domestic use and groundwater recharge**
  - Conservation of **freshwater resources** and **reduction of environmental impact**

### Waste management

Given the scale of waste generated nationwide, India needs effective waste management systems. This is because proper waste management not only enhances efficiency by reducing waste at its source but also fosters a circular economy by exploring alternative uses for the waste or the by-products.

At Indigo Paints, waste management is foundational to our sustainability agenda. It optimises resource utilisation and promotes environment-friendly operations. By treating waste as a valuable resource, we promote responsible industry practices and actively contribute to a sustainable future.

### Initiatives taken

- Strict adherence to proper **waste disposal** methods and regulations, sending all waste to CPCB authorised vendors
- Selling **plastic and metal barrels**, along with other non-hazardous waste, to third parties as scrap for reuse
- Transitioning from procuring chemicals in drums to bulk liquid shipments in tankers, minimising barrel use and facilitating their return to suppliers for reuse
- Adopting a **circular economy** approach by reusing dolomite bags received from cement companies for subsequent shipments, reducing waste
- Achieving the **plastics recycling** target set by Central Pollution Control Board (CPCB) for this FY

### Performance

**Waste Generation**


**Waste Generation Per Unit Production**
(kg/KL of FG)


**Waste Generation Per Unit Revenue**
(tonne/crore revenue)


*Note: This year, we began keeping accurate records, including all waste, which explains the increase in reported waste generation*

### Outcome

- Recycled **71%** more waste this year as compared to previous year.

### Way forward

- **Targeting 25% waste recycling by FY 2025 and 50% by FY 2030**
- We have already achieved the set target in FY 23-24 by implementing effective waste management practices, including segregation, collection and recycling methods
- By collaborating with specialised recycling partners and investing in advanced recycling technologies, we aim to divert a significant portion of our waste from landfills and promote a circular economy

- **Aim to Reduce Plastic Waste Generation**
- Achieved plastic waste recycling target given by CPCB this year
- Plastic waste poses significant environmental and health risks
- Committed to minimising plastic waste generation in our operations
- Implementing best practices in waste management and optimising production processes

- **Introducing recycled paint cans for selected segments**
- As part of our commitment to sustainable packaging, we have introduced recycled paint cans for specific market segments.
- These cans are manufactured using recycled materials, thereby reducing the demand for virgin raw materials and minimising our carbon footprint associated with traditional paint can production
- By promoting the use of recycled paint cans, we encourage responsible consumption and contribute to the overall reduction of waste in the industry

## SOCIAL

### Community welfare

At the heart of Indigo Paints lies our commitment to contribute towards community wellbeing and development. As a responsible corporate citizen, we focus our Corporate Social Responsibility (CSR) programmes on the committees where we operate. Our programmes target uplifting lives by addressing specific needs in education and women's empowerment. We have specifically developed our programmes to align with the UN Sustainable Development Goals (SDGs).

We have incorporated CSR strategies with our core business objectives, addressing social challenges while upholding our core values. Our capable Board of Directors ensure the strategic direction and effective implementation of our CSR initiatives.

### Key focus areas

**Educational support for underprivileged girls**

Comprehensive CSR policy reflects our commitment to positive societal impact. We have extended our helping hand to numerous underprivileged girls by providing them with the required educational assistance.

**Women empowerment projects**

We have introduced initiatives focused on women empowerment. Through these various leadership and mentoring programmes, we aim to uplift and support women.

**Healthcare**

Indigo Paints provides healthcare and palliative care facilities for the marginalised communities residing near the Kochi factory. Our commitment towards maintaining holistic well-being of our employees have encouraged us to provide essential healthcare coverage tailored to the specific needs of the painters and their families. We ensure they have access to necessary medical services and support

## Commitment and expenditure

FY 22-23
**₹ 182 Lakhs**
CSR Expenditure

FY 23-24
**₹ 235 Lakhs**
Increased Commitment

Our dedication to community welfare extends beyond financial contributions. We actively engage with communities, listen to their needs and work collaboratively for sustainable change. We aspire to amplify sustainability messages and engage the community in meaningful dialogue. Together, we strive to foster a greater understanding of environmental challenges and inspire action towards a greener future.

Indigo Paints is committed to maintaining our legacy as a responsible corporate citizen, aspiring to create a future where education is accessible and women are empowered to achieve their dreams. We believe that together we can build a stronger, more inclusive society.

## Health and safety

At Indigo Paints, employee well-being is of paramount importance. We are committed to providing a safe working environment that promotes health and fosters a culture of well-being. Our safety culture, embedded in our core values, exceeds regulatory compliance and aligns with the UN Sustainable Development Goals (SDGs) of Decent Work and Economic Growth and Good Health and Well-being.

Our commitment to safety extends beyond regulatory compliance; our initiatives are a testament to our commitment of being a responsible corporate citizen.

### Key focus areas

**Health and Safety Policy:** Applies to all employees, suppliers and third-party business partners.

**Risk Management:**

**Collaborative Approach:** Joint health and safety committees and transparent communication channels.

**Training:** Specific safety and health training tailored to roles and responsibilities.

**Insurance and Benefits:** Health and accident insurance for all employees and maternity benefits for all female employees.

Our commitment to continuous improvement includes specific safety and health training tailored to employee roles and responsibilities. This dedication has yielded positive results, with zero fatalities recorded in the reporting year. We aim to further maintain this high standard in the coming years as well.

In FY 23-24, Indigo Paints took a significant step by establishing air showers at our Kochi plant, replacing the earlier water showers. This upgrade significantly enhanced employee safety and cleanliness. Due to the amazing response that we received for the air showers at our Kochi plant, we are also considering installing similar showers at our Jodhpur plant as well.

On the other hand, to further support employee wellness, we have initiated a feedback programme to understand our employees' satisfaction while working in our organisation. The feedback received enabled us to identify areas for improvement and develop targeted wellness programmes.

At Indigo Paints, we have remained committed to increasing employee satisfaction, fostering a positive work environment and ensuring holistic well-being. We recognise that a safe and healthy workforce is the foundation of success.

We will continue to prioritise employee health and safety. We embrace a proactive approach, promoting continuous improvement and striving to exceed industry standards. Through our collective efforts, we aim to create an environment where employees thrive and feel valued, ultimately contributing to our overall business success.



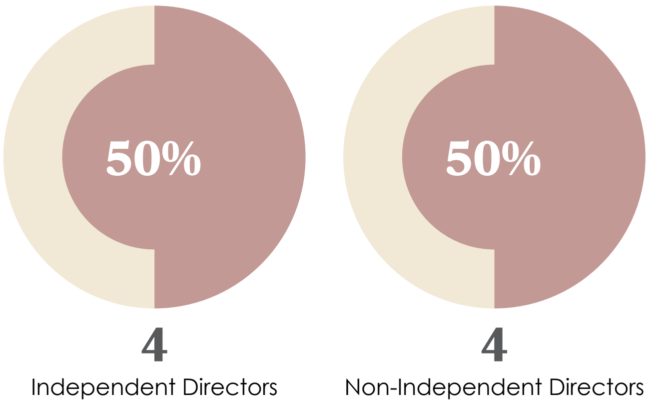


# GOVERNANCE

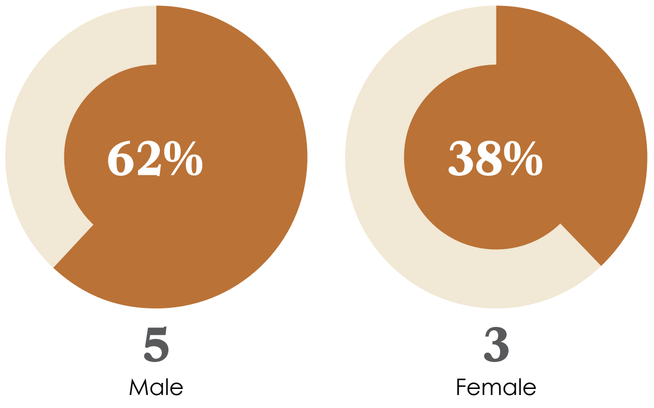
## Board structure and management

At Indigo Paints, we recognise the value of our visionary leadership at the helm of the organisation. The Board of Directors play a vital role in setting the organisational tone, establishing our vision, mission and values as guided by our Corporate Governance guidelines. We prioritise compliance with all relevant regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other SEBI regulations governing Board composition, Committee formation and policy formulation and adoption.

## Board independence




## Board diversity




| Board/Committee | Chaired By | No. of Members | % of Board |
|---|---|---|---|
| **Board** | Executive Chairman | 8 | 50% |
| **Audit Committee** | Independent Director | 6 | 67% |
| **Nomination and Remuneration Committee** | Independent Director | 4 | 100% |
| **Risk Management Committee** | Executive Director | 4 | 25% |
| **CSR Committee** | Executive Director | 3 | 33% |
| **Stakeholders Relationship Committee** | Independent Director | 3 | 33% |

To further our commitment to sustainability, we have also set up an ESG Committee, under the guidance of the Board. Chaired by the Managing Director, the Committee is instrumental in driving sustainable practices across all aspects of our operations, ensuring proper integration into corporate strategy and fostering a culture of sustainability throughout the organization.

## Key focus areas

### Enhanced oversight

The Board undertakes regular training and development programmes on emerging governance trends and best practices to promote transparency, accountability and ethical conduct. Such training and development initiatives broadly include Industry Overview, Business Strategy, comprehensive programs on Corporate Governance practices and ESG topics.

### Digital governance

With the increasing reliance on digital technologies, it becomes imperative to have a robust digital governance in place. We align our digital initiatives with the overall business strategy and objectives of the Company. We are leveraging advanced technology to streamline operations, ensuring efficient and effective governance practices.

### Holistic working environment

We have always prioritised cultivating a working environment that promotes worker health and safety, optimises workplace conditions, enhances supply chain sustainability, supports environmental conservation, reduces emissions and contributes towards a greener future.

We believe that a robust Board structure, guided by strong corporate governance principles and an increased focus on sustainability will drive our Company towards long-term success. Through the collective efforts of our Board, management and dedicated employees, we strive to create value for our stakeholders while positively impacting the environment and society at large.

Indigo Paints remains committed to maintaining the highest standards of governance, ensuring that our practices not only comply with regulatory requirements but also reflect our core values of integrity, accountability and sustainability.

### Environmental compliance

At Indigo Paints, we have always emphasised environmental compliance. To further our commitment, we have partnered with Sprih, a trusted third-party organisation. Sprih's assessments, based on international standards, guide our efforts to improve and align with best practices. We also employ AI-driven tools and expertise to accurately measure our greenhouse gas (GHG) footprint and ensure we meet the global standards and norms. Our commitment to achieving Net-Zero emissions by 2050 underscores our dedication to upholding the highest environmental standards and positions Indigo Paints as a responsible industry leader.

# RISK MANAGEMENT

At Indigo Paints, we have maintained a robust risk management framework to navigate the dynamic external environment and mitigate the potential risks. This framework cushions us from both external and internal risks while optimising our resources to enhance returns. Our dedicated Risk Management Committee continues to play a pivotal role in formulating risk assessment and mitigation strategies, providing crucial insights to the Board.

## Key focus areas

### Proactive approach

The Committee formulates, implements, reviews and monitors the Company's risk management plan, promoting sustainable business growth with stability through a structured approach. We ensured a focused and expert-driven assessment of risks across different domains enhancing effectiveness of risk management framework.

### Policy and practices

Our Risk Management Policy guides us in identifying, reporting, evaluating and resolving risks associated with our operations.

### Crisis response and business continuity planning

We have developed plans and procedures, as guided by the policy on risk management. We develop recovery plans and employ contingency measures to effectively respond to and manage crisis situations, ensuring continuity of critical business functions and services in the event of a disruption.

### Training initiatives

We provide comprehensive training on risk management and mitigation practices to all employees, fostering a risk awareness across the organisation. Simultaneously, we leverage technology solutions, such as risk management software and data analytics tools, to enhance risk identification, assessment and monitoring capabilities.

### Compliance assurance

We maintain a steadfast focus on achieving 100% compliance with our risk management practices and statutory policies.



We are committed to integrating sustainability metrics into our senior management's performance evaluation. This move reinforces our commitment towards upholding the UN Sustainable Development Goal (SDG) of Decent Work and Economic Growth. Our relentless initiatives are a testament of our dedication to following responsible business practices.

We understand the crucial role played by an effective risk management to drive sustainable business growth. As we expand our operations, we need to develop comprehensive practices and evolve our approach. We need to strengthen our resilience to navigate uncertainties and capitalise on opportunities to ensure long-term value creation and continued stakeholder trust.

# CODE OF CONDUCT

At Indigo Paints, our Code of Conduct, approved by the Board of Directors, upholds the highest standards of ethical conduct, sustainability and integrity. This comprehensive framework applies to all Directors, Senior Management members and employees, guiding our operations ethically, legally and sustainably.

Our Code of Conduct is publicly accessible on our website: **https://indigopaints.com/investors/investor-policies**

## Key principles

### Comprehensive guidelines

The Code outlines our commitment to ethical practices, legal compliance and sustainability across all operations.

### Focus on compliance

We are dedicated to achieving 100% adherence to the Code by all employees.

### Prevention of insider trading

We adhere strictly to regulations concerning insider trading, ensuring transparency and integrity in our financial practices.

Our Code of Conduct includes strict policies against corruption, unfair trade practices and discrimination. We foster a work environment that upholds principles of non-discrimination, zero tolerance to sexual harassment and upholds respect for human rights.

To reinforce our commitment to ethical behaviour, we have established a robust Whistle Blower Policy. This policy empowers Directors and employees to report unethical behaviour, fraud or violations confidentially. The Whistle Blower Policy ensures transparency and protection for individuals who raise concerns.

Our policy is accessible on our website at **https://indigopaints.com/investors/investor-policies**

In FY 23-24, Indigo Paints recorded zero breaches of our Code of Conduct across all locations, underscoring our steadfast commitment to ethical standards.

Moving forward, we continue to prioritise maintaining a strong Code of Conduct to promote a culture of integrity and accountability throughout the organisation.

At Indigo Paints, we believe our Code of Conduct forms the cornerstone of our corporate values, fostering a culture where every individual feels empowered. This commitment not only drives our long-term success but also strengthens the trust placed on us by our stakeholders.

## Empowering communities

WE BELIEVE IN GIVING BACK TO THE COMMUNITIES WHERE WE OPERATE AND EMPOWERING THOSE IN NEED. DURING FY24, WE HAVE FOCUSED ON ENHANCING SOCIETAL IMPACT THROUGH SEVERAL INITIATIVES THAT ARE MAKING A TANGIBLE DIFFERENCE IN THE LIVES OF UNDERPRIVILEGED FAMILIES.

### Education

In the field of education, we have extended a helping hand to numerous underprivileged girls in Pune by providing them with much-needed educational assistance. This initiative aims to break down barriers and provide these young women with the opportunity to reach their full potential.

Since inception, we have guided over 300 girls through Payal Jalan Trust in assisting them in their career.

**150**
Beneficiaries in FY 24





### Healthcare

**154**
Beneficiaries in FY 24

Healthcare is another crucial area where we are making a positive impact. At our manufacturing plant in Kochi, we have partnered with the Cancure Foundation to offer free dialysis and palliative care services to underprivileged members of the community. This partnership ensures that those facing health challenges can access critical medical care.

### Women's empowerment

Through a strategic collaboration with CORO, a well-respected non-governmental organization (NGO), we have been investing in a programme that empowers underprivileged women. This programme equips them with the critical leadership and administrative skills they need to navigate challenges and achieve their full potential. By fostering self-confidence and independence, we aim to empower these women to overcome societal barriers and build brighter futures for themselves and their families.

**1,101**
Direct beneficiaries in FY 24


#### Healthcare – a priority

Beyond providing healthcare services, we are also committed to promoting overall well-being. In the state of Bihar, we have taken a significant step by extending health insurance coverage to over 1,000 families within the painter community. Recognising the need for wider support, we are currently expanding this programme to include an additional 1,600 families of painters residing in Odisha and Chhattisgarh. We believe that access to quality healthcare is essential and these initiatives aim to provide much-needed security to these families.

**₹ 235 Lakh**
CSR expenditure

**3,519**
Beneficiaries in FY 24

# 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 22 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

## Parag Jalan

**On the Board since May, 2024**
Born in the year 1987

### Professional Experience
- He worked in New York in finance for BlackRock in its risk management division. At BlackRock, he helped the firm's clients better understand various parameters in their portfolios by leveraging a proprietary risk management platform and also helped bring in new clients to leverage the technology.
- He also worked at McKinsey & Co in New York helping clients develop business strategies, conduct due diligence on potential acquisition targets and improve both people and process efficiencies across sectors such as Private Equity, Health Systems, Pharmaceutical and Medical Products, Telecom and Financial Services.
- In the social sector, he worked at the Clinton Health Access Initiative in Cambodia and Swaziland, where he helped central governments bridge budgetary gaps in their health portfolio, scale healthcare related pilot programs nationally and improve access to life-saving drugs.
- He also helped a private foundation in identifying bold billion-dollar ideas that are ready to scale and apt for private philanthropy.
- Most recently, he served as the Director of the Government Relations vertical at Teach For India, where he led the organisation's national partnership and collaboration efforts with city and state governments across the country.

### Education
- Master in Business Administration from the School of Management at Yale University (USA)
- Bachelor of Chemical Engineering degree with a minor in Economics and Environmental Engineering from the University of Delaware (USA)

## Narayanan Kutty Kottiedath Venugopal
Executive Director

**On the Board since February, 2016**
Born in the year 1948

### Professional Experience
- He has over 42 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
- B.Sc in Mechanical Engineering from the University of Kerala.
- PGDM from Indian Institute of Management, Calcutta

## Ashwini Deshpande
Independent
Director

**On the Board since May, 2023**
Born in the year 1966

### Professional Experience
- She has experience of over 31 years as a Brand, Design and Design Thinking expert with award-winning work in the fields of Foods, Personal Care, Automobile, Healthcare, Homecare, Fashion and Sports Leagues.
- She is co-founder of Elephant Design, India's pioneering independent design consultancy with presence in India and Singapore
- She is executive Member of The Design Alliance Asia consortium and governing Council Member of The Indus Entrepreneurs (TiE)
- She is active founding team member of Association of Designers of India (ADI) on the advisory board of design programmes at IIT (G), Nirma University, FLAME University among others.
- She is an editor of 'Colours of Asia' book based on a collaborative research project spanning across 11 Asian countries.
- She is also Author of 'Design Purpose' column with 50 published articles.

### Education
- M.Des from National Institute of Design, Ahmedabad, India

### Recognitions
- Among Impact's 50 Most Influential Women in Media, Marketing and Advertising annual listings since 2015
- Among Campaign India's A-Listers since 2010

## 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 in Consumer marketing and Exports.
- His entrepreneurial experience includes being Co-founder of 'Preferred Brands Inc, USA' and Managing Director of Tasty Bite Eatables Ltd, Pune for 21 years from 1997 to 2018.
- Prior to his entrepreneurial journey, he held senior management positions in companies such as Britannia and Pepsico .
- He is past President of The Indus Entrepreneurs Association (TiE), Pune .
- He is a sought after mentor in the Indian start-up eco-system. Has actively mentored over 50 companies across different domain areas . Companies are based in Pune, Mumbai, Bangalore, Gurgaon and also in few tier-2 cities.
- He is also an active angel investor.
- He is also currently serving as a Board Member on the board of companies including – Hector Beverages Private Ltd , Visage Lines Personal Care Private Limited, Extraaedge Technology Solutions Private Limited, Sunshot Technologies Private Limited and Ronin Wines Private Limited.

### Education
- Post Graduate Diploma in Rural Management from Institute of Rural Management, Anand (IRMA)
- Owner President Management programme 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 and Consumer Knowledge Private Limited and Indevia Accounting Private Limited
- He has previously served as an Independent Director with Motilal Oswal Financial Services Limited and Kisan Mouldings Pvt Ltd
- He has previously held senior leadership roles in Pidilite Industries Limited, Zenith Optimedia Asia, Starcom India, Chaitra Leo Burnett Private Limited, MARG Marketing and Research Group Private Limited and Lowe Lintas
- He is currently a member of Awareness and Communications Strategy Advisory Council of UID Authority of India (April 2023 to till date)
- 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

## Sakshi Chopra
Nominee Director

**On the Board since October, 2018**
Born in the Year 1978

### Professional Experience
- She has over 14 years of experience in Venture capital.
- She is currently associated with Peak XV Partners as a Managing Director.
- She has advised on investments across a range of consumer, consumer-tech and fintech companies including Five-Star Business Finance, Yubi, HUFT, Go Colors, Healthkart, Purplle, Wakefit and Neo Wealth and Asset Management
- 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

## Sunil Goyal
Independent Director

**On the Board since November 2014**
Born in the Year 1967

### Professional Experience
- He is a Member of the Institute of Chartered Accountants of India, is the Founder and Managing Partner of Kreston SGCO Advisors LLP and the Founder and Mentor of SGCO and Co., Chartered Accountants, a well-known accountancy firm based in Mumbai.
- He is also the Chairman and Managing Director of Ladderup Group engaged in financial services. He leads a team of more than 300 professionals in his group and is a former member of the Global Board of Kreston Global, UK, headquartered in London.
- He has also served as the Chairman of WIRC of The Institute of Chartered Accountants of India (ICAI) with 35 years of experience.
- He specialises in the field of financial and business consultancy with core strengths in fund raising, business restructuring, mergers and acquisitions, strategic alliances and capital markets.
- He is also on the Boards of other reputed companies.

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

# Corporate information

## Directors

**Mr. Hemant Kamala Jalan**
Chairperson and Managing Director

**Mr. Parag Hemant Jalan**
Non-Executive Director
(Appointed w.e.f. May 22, 2024)

**Ms. Anita Hemant Jalan**
Executive Director
(Resigned w.e.f. May 23, 2024)

**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. Ashwini Deshpande**
Independent Director
(Appointed w.e.f. May 26, 2023)

**Ms. Sakshi Vijay Chopra**
Nominee Director

## Chief Financial Officer

**Mr. Chetan Bhalchandra Humane**

## Company Secretary and Compliance Officer

**Ms. Dayeeta Shrinivas Gokhale**
(Appointed w.e.f. June 29, 2023)

## Investor Relations

**Mr. Srihari Santhakumar**
srihari@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. Ashwini Deshpande**

**Ms. Sakshi Vijay Chopra**

### Nomination and Remuneration Committee

**Mr. Ravi Nigam**
Chairperson

**Mr. Sunil Badriprasad Goyal**

**Ms. Ashwini Deshpande**

**Mr. Praveen Kumar Ramniranjan Tripathi**

### Stakeholder Relationship Committee

**Ms. Ashwini Deshpande**
Chairperson

**Mr. Hemant Kamala Jalan**

**Mr. Narayanankutty Kottiedath Venugopal**

### Corporate Social Responsibility Committee

**Mr. Hemant Kamala Jalan**
Chairperson

**Mr. Parag Hemant Jalan**

**Mr. Praveen Kumar Ramniranjan Tripathi**

### Risk Management CommitteeAudit Committee

**Mr. Narayanankutty Kottiedath Venugopal**

Chairperson

**Mr. Hemant Kamala Jalan**

**Mr. Praveen Kumar Ramniranjan Tripathi**

**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 & Co. LLP,
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

## Indian Economy review[1]

Despite the world economy grappling with challenges such as subdued external demand, prolonged geopolitical tensions and fluctuations in global financial markets, the Indian economy demonstrated remarkable resilience during FY 2023-24[2].

The timely intervention from the Reserve Bank of India (RBI) and effective programmes initiated by the Government of India strengthened the Indian economy, cushioning the country from the global headwinds.

During the reported year, the Indian economy achieved a growth rate of 8.2%[3] propelled by strong growth in fixed investment, which was bolstered by the Government's emphasis on capital expenditure.

Further, a steady uptick in urban demand and a rebound in rural spending, significantly contributed to the growth of the Indian economy. The robust urban demand is evidenced by a surge in passenger vehicle sales, heightened transactions through credit and debit cards, domestic air travel surpassing pre-pandemic levels and a notable uptick in housing purchases. On the other hand, an increase in demand for tractors and two-three-wheeler sales, along with a surge in the volume of fast-moving consumer goods (FMCG), signify a marked improvement in rural demand. This holistic momentum in both urban and rural sectors underscores India's economic resilience and potential for sustained growth in FY24.

Additionally, the Indian rupee became the third most stable Asian currency in the year under review, with the manufacturing and service sector emerging as primary catalysts for growth.

## Outlook

Looking forward, the Indian economy is expected to maintain momentum, supported by the Government's continued emphasis on capital spending and fiscal discipline. Additionally, factors such as strong corporate finances, increasing capacity utilisation, double-digit credit expansion, a robust financial sector and decline in inflation, are expected to propel growth.

According to the International Monetary Fund (IMF), India is expected to become the third-largest economy in the 2027 in USD at market exchange rate. It is also expected that India's contribution to global growth to rise by 200 basis points in five years.[4]

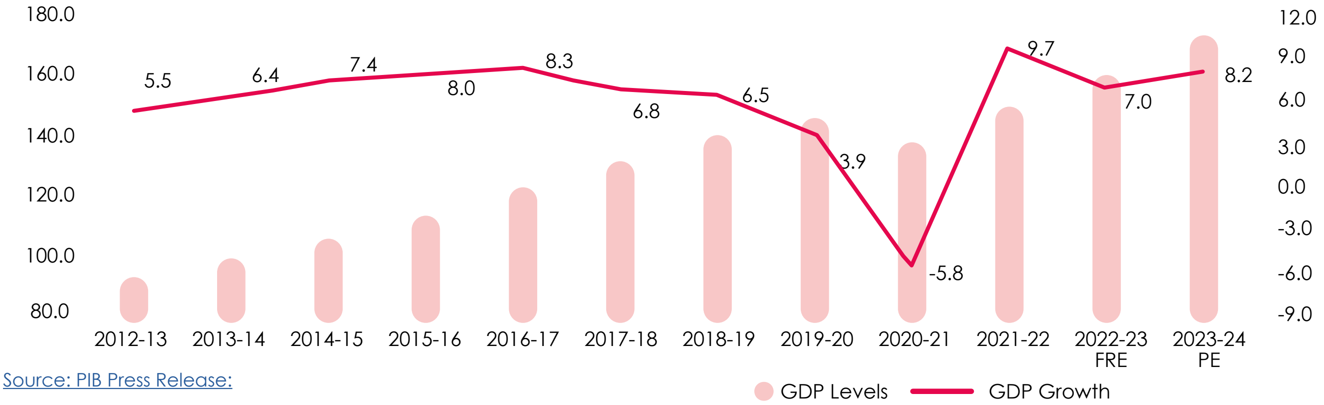
[1]https://dea.gov.in/sites/default/files/Monthly%20Economic%20Review%20January%202024_0.pdf

[2]https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/2ECONOMICREVIEWB53EC295C0F04F04A5FC75DDE0C6FA9B.PDF

[3]https://pib.gov.in/PressReleseDetailm.aspx?PRID=2022323

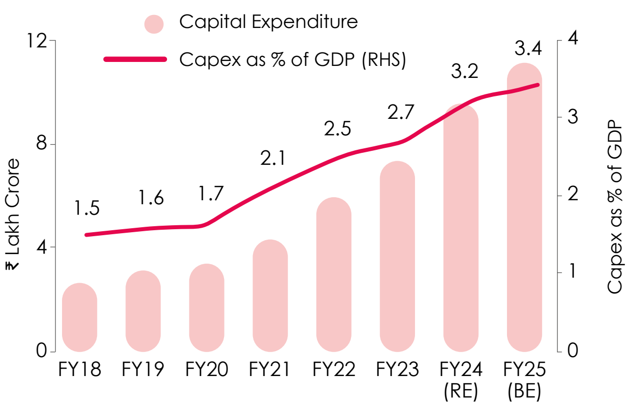
[4]https://pib.gov.in/PressReleasePage.aspx?PRID=2001124

**Annual GDP Estimates (in ₹ Lakh Crore) and Growth Rates (6) at Constant Prices**




Source: PIB Press Release:

**Increase in Capital Expenditure**




Source: Union Budget Documents

## Industry overview

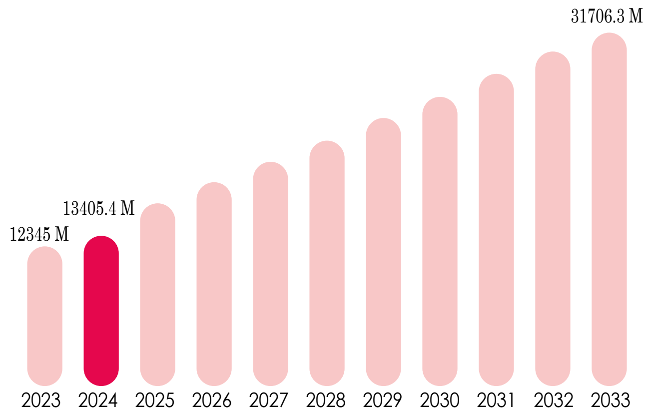
### Paints and coating[6]

India's paints and coatings market, encompassing both decorative and industrial segments, was valued at USD 13,405.4 million in the fiscal year 2024, and is projected to reach USD 31,706.3 million by FY2033, with a forecasted Compound Annual Growth Rate (CAGR) of 8.75%. The country's burgeoning population, coupled with rapid urbanisation, are driving the demand for paints and coatings in various sectors. Urban development initiatives such as the Smart Cities Mission and Housing for All, further stimulate construction activities, creating a significant opportunity for the pain and coating industry.

Further, the automotive sector also contributes to this growth. With the growing demand for automotive and increasing after-sale services for various car segments, it is expected to bolster the demand for specialised paints and coatings. On the other hand, the construction industry has witnessed robust growth due to urbanisation, infrastructure development and government initiatives. Thereby, the industry has been serving as the primary catalyst increasing the demand for paints and coatings, particularly in architectural applications.

Additionally, with rising disposable incomes and changing lifestyle preferences, consumers are preferring aesthetically pleasing paints and durable coatings.[7]

**India Paints and Coatings Market 2024-2033 (By Million)**




Source: Custom Market Insights

### Construction chemical[8]

India's construction chemicals market holds the third position globally in profitability and leads in growth. The Indian construction chemicals market size is expected to reach 5.02 billion USD by 2030, growing at CAGR of 7.24% between 2024 and 2030.

While the commercial sector holds the highest market share for construction chemicals, it is closely followed by the residential sector. Commercial buildings necessitate a wider range of construction chemicals due to their higher densities and intricate designs. On the other hand, the residential sector's consistent demand for waterproofing plays a significant role in bolstering construction chemical market.

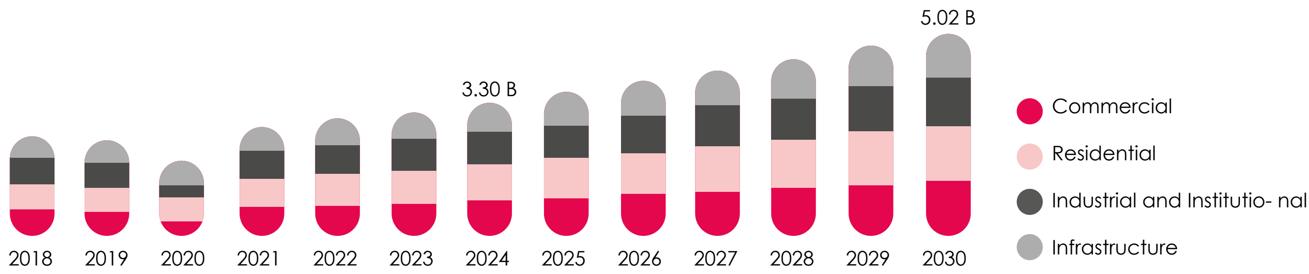
[6]https://www.custommarketinsights.com/report/india-paints-and-coatings-market/#:~:text=India%20Paints%20and%20Coatings%20Market%20was%20valued%20at%20USD%2013%2C405.4,second%20skin%20for%20various%20surfaces.

[7]https://www.custommarketinsights.com/report/india-paints-and-coatings-market/#:~:text=India%20Paints%20and%20Coatings%20Market%20was%20valued%20at%20USD%2013%2C405.4,second%20skin%20for%20various%20surfaces.

[8]https://www.mordorintelligence.com/industry-reports/india-construction-chemicals-market/market-size

It is expected that through favourable government initiatives and surge in investments, the residential and commercial sector is poised for growth in the forthcoming years, further benefitting the construction chemical industry.

**Value of Construction Chemicals Consumed by End Use Sector, USD, India, 2018 - 2030**




Source: Mordor Intelligence

### Waterproofing chemicals[9]

India's waterproofing chemicals industry has witnessed remarkable growth driven by rapid urbanisation and the escalating demand for resilient construction solutions. Given India's climate and the necessity to shield buildings and infrastructure from monsoons, humidity and water damage, waterproofing chemicals play a pivotal role in the construction sector.

The India Waterproofing Solutions Market size is expected to reach 1.81 billion USD by 2030 from 1.18 billion USD in 2024, growing at a CAGR of 7.44% during the forecast period (2024-2030).[10]

The surge in infrastructural development and urbanisation, with the Government mandating the use of waterproofing products, are contributing to the growth of the industry.

Furthermore, advancements in research and development have introduced innovative waterproofing technologies in India. These include cutting-edge materials such as crystalline waterproofing and liquid-applied membranes. These innovations offer superior performance and improves application ease, enhancing the overall quality of available waterproofing solutions in the market.

### Decorative coating[11]

India's decorative coating market is expected to expand to ₹ 159,000 crore by 2032, rising from its current size of ₹ 70,000 crore, with an average annual growth rate of 9.5% between 2024 and 2032. The market can be segregated into Organised and Unorganised sectors.

In 2023, the Organised sector represented approximately 77% of the total decorative coating market, equivalent to around ₹ 54,000 crore. It is further anticipated that the sector will grow at a CAGR of 9.8% to surpass ₹ 125,000 crore by 2032. Various factors such as newly announced capacity expansions, rapid urbanisation, increased preference for branded paints and shorter repainting cycles are expected to drive growth of the market in the upcoming years.

On the other hand, the Indian Unorganised decorative coating market comprises over 2200 small and medium-scale companies, collectively accounting for approximately 23% of the market share. These companies generate revenue ranging from ₹ 1 crore to ₹ 1000 crore for decorative coatings. Typically, Unorganised decorative coating manufacturers cater to the regional markets, however, some of the major players whose revenues exceed ₹ 200 crore, have established their presence in more than two states and possess strong distributor networks.

[9]https://www.bonafideresearch.com/product/6309999206/india-waterproofing-chemicals-market

[10]https://www.mordorintelligence.com/industry-reports/india-waterproofing-solutions-market

[11]https://prismaneconsulting.com/report-details/india-decorative-coating-demand-analysis-and-market-review-by-region-by-sector-technology-product-forecast-2032

## Megatrends

### Focus on sustainable living

Eco-conscious consumers are driving the demand for water-based, low-VOC paints that minimise environmental impact. Thereby, paint manufacturers are developing more eco-friendly solutions that cater to the growing population of environmentally-responsible consumers.

### Premiumisation

A growing middle-economic class with rising disposable income is fuelling the demand for high-quality paints. High-quality paints synergise aesthetics with features such as anti-bacterial properties, superior durability and improved functionality. This trend has been specially gaining momentum as consumers are increasingly preferring the touch of luxury associated with premium brands.

### Digital transformation

The advent of digital transformation has significantly bolstered innovation in the sector. Online paint shopping platforms, virtual reality (VR) tools for visualising colours in your own space and mobile apps for product information and after-sales service are rapidly gaining traction. This shift has significantly enhanced customer experience by offering convenience and personalised recommendations. Paint companies are leveraging digital tools to create a more engaged customer base and improve brand retention.

### Tier-2 and Tier-3 market expansion

With rapid urbanisation, the demand for quality paints is steadily gaining momentum. As paint companies are expanding their reach, they are strategically targeting these areas with focused marketing campaigns, developing customised product offerings and establishing wider distribution networks. This expansion unlocks a vast potential customer base and positions paint companies for long-term growth.

## Opportunities

### Innovation in application technologies

Given the increasing popularity of the DIY (Do-It-Yourself) trend, the availability of user-friendly tools, such as applicators that minimise mess or self-priming paints can be used to fulfil changing consumer demands. Paint manufacturers might also consider the development of smart rollers equipped with paint level indicators as well as spray paints that reduce overspray.

Simplifying the application process could help paint companies attract new customers, retain the loyalty of existing DIY enthusiasts and introduce premium pricing for innovative applications.

### Specialty paint development

The paint industry is experiencing increased demand for paints that offer more than aesthetic appeal. Paint companies are taking advantage of these opportunities by creating specialty paints, such as anti-microbial paints for hospitals, heat-resistant paints for industrial use or stain-resistant paints for high-traffic areas. This enables companies to tap into new markets, set higher prices and promote long-term growth and innovation within the industry.

### Focus on after-sales service

Paint companies should prioritise robust customer service to improve customer satisfaction and build brand loyalty. The companies can provide after-sales services, develop online calculators for accurate paint quantity estimation or even partner with professional painters for on-demand services. These initiatives not only foster repeat business but also generate positive word-of-mouth recommendations, attracting new customers in a competitive market.

### Sustainability beyond products

While eco-friendly paints are crucial, companies are extending their commitment to nurture a greener tomorrow by adopting practices such as the use of recycled material in packaging, implementing energy-efficient manufacturing processes and minimising waste generation. This will not only attract eco-conscious consumers but also lead to potential cost savings through reduced resource consumption. This holistic approach towards sustainability can help to improve brand value and contribute to a greener future.

### Skill development

A shortage of skilled labour in areas such as paint application and product development can be an impediment for the growth of companies. By investing in training programmes, collaborating with vocational institutes and offering competitive compensation, companies can attract and retain skilled workers. This ensures better service for customers, creates room for innovative product development and positions the industry for long-term success in a competitive market.

## Challenges

### Raw material price volatility

Fluctuations in the prices of key ingredients such as titanium dioxide and monomers can significantly impact production costs. Companies can either absorb the cost increase and potentially squeeze profit margins, or pass it on to consumers through price hikes; either way it can lead to sticker shock and dampen consumer demand, impacting overall sales in a competitive market. Effectively managing these fluctuations and exploring alternative, stabl raw materials is crucial for paint companies to mitigate this threat and ensure sustainable growth.

### Supply chain disruptions

Global issues can cause shortages of essential raw materials such as resins and pigments, disrupting production schedules, delay deliveries and hinder the ability of paint companies to meet customer demand. In a landscape marked by increasing competition, these delays can lead to low sales and potentially even result in dissatisfied customers. Mitigating this threat requires exploring alternative suppliers, building stronger relationships with existing partners and implementing robust inventory management strategies to ensure a buffer against unforeseen supply chain bottlenecks.

### Competition

While increase in competition can foster innovation, it also threatens profit margins. Established brands need to outperform its peers, enhancing their market share, while new entrants have to build their brand and attract customers with innovative products and aggressive marketing. It is essential for paint companies to focus on product differentiation, brand building and exploring niche markets to stay ahead of the curve and maintain profitability.

### Environmental regulations

Regulations aimed at reducing VOC emissions and waste disposal, can significantly increase compliance costs for paint manufacturers. Companies need to invest in cleaner technologies and sustainable practices to meet these standards, resulting in strained budgets and reduced profitability. However, most of the paint companies in India have put up zero discharge facilities.

## Company overview

Established in 2000, Indigo Paints has emerged as a leading paint company in India. With its headquarters in Pune, Maharashtra, the Company initially manufactured economical cement paints. However, it has significantly expanded its portfolio and diversified its offerings to include a wide range of decorative paints. The Company's extensive distribution network ensures widespread availability of products across India.

**18,000+**
Active dealer base

**9,842**
Tinting machines

Operating three strategically located manufacturing facilities in Jodhpur (Rajasthan), Kochi (Kerala) and Pudukkottai (Tamil Nadu), Indigo Paints emphasises on research and development to introduce innovative products. The Company's resilient and multifaceted operational strategy has enabled it stay ahead of the curve and effectively navigate hurdles in its growth path.

### Growth strategies

#### Product innovation

The Company focuses on developing a differentiated product portfolio to cater to specific consumer needs, increase their market share and outperform its peers. The Company's strategy to create innovative specialty paints allows the organisation to foray into new segments and strengthen its presence in existing markets. The Company relies on its innovative capacity to solidify its position as a leading player in the Indian paint industry.

#### Geographic expansion

In an unconventional approach, the Company has started operations by focusing on Tier-3 and Tier- 4 cities. Having established its presence in the bottom of the pyramid, the Company has started focusing on growth in Tier-1 and Tier-2 cities. The Company aims to tap into the vast potential of these developing regions with rising disposable incomes and increasing demand for quality paints. This strategy involves establishing wider distribution networks, targeted marketing campaigns and developing 'value' paints for people seeking budget options. The Company is also engaging with painters and contractors, providing them training on product application, offering exclusive benefits to recommend and use Indigo's products and accelerating brand adoption in new markets. This dual strategy involves expanding its geographic footprint and building strong relationships with local stakeholders to drive Indigo Paints' growth across India.


## Capacity augmentation

Investing in a state-of-the-art plant with automated material handling will help to significantly increase production efficiency and capacity. This allows the Company to meet rising demand while potentially reducing production costs. Additionally, the company is leveraging its established presence and distribution networks to set up new manufacturing units. This will help reduce transportation costs and improve delivery timelines to meet the growing regional demand. The Company is prepared to handle future growth and maintain a competitive edge through potentially lower costs and solidify their presence in key markets.

## Brand and marketing focus

The Company is strengthening its salesforce to reach more dealers and retailers, increasing product availability and brand visibility. Additionally, through tailored brand promotion and engagement with the influencer community, the Company plans to leverage social media to connect with potential customers. The Company also increase customer engagement through targeted online advertising, informative content creation and interactive tools such as virtual paint colour visualisation. This multi-pronged approach enables the Company to build brand awareness, generate interest and ultimately drive sales for Indigo Paints.

## Expansion into adjacencies

The Company aims to drive growth by expanding into adjacencies, particularly in the high potential Indian infrastructure sector. With the acquisition of Apple Chemie India Private Ltd, the Company ventures beyond the decorative paint segment. Exploring segments such as construction chemicals and waterproofing, the Company, now, has new revenue streams and to capitalise on the synergies within its existing operations.

## Strategic acquisitions

In FY24, the Company has acquired Apple Chemie India. With this acquisition, the Company aims to expand its product portfolio into the space of construction and waterproofing products. Apple Chemie has achieved impressive growth of 50% in the fourth quarter of fiscal year 2024, and is anticipated to sustain its robust growth in the forthcoming quarters.

## IPO Fund utilisation

(₹ Lakhs)

| Sr. No. | Item Head | Amount as proposed in offer Document | Utilised up to March 31, 2024 | Un-Utilised up to March 31, 2024 |
|---|---|---|---|---|
| 1 | Funding capital expenditure for the proposed expansion | 15,000.00 | 15,000.00 | Nil |
| 2 | Purchase of tinting machines and gyroshakers | 5,000.00 | 5,000.00 | Nil |
| 3 | Repayment/ prepayment of certain borrowings of our Company | 2,500.00 | 2,500.00 | Nil |
| 4 | General corporate purposes | 6,211.21 | 6,211.21 | Nil |
| | **Total** | **28,711.21** | **28,711.21** | **Nil** |

The proceeds have been utilised for the intended objects. The additional unit in Pudukkottai was commissioned in September 2023 and has started to contribute to the sales.

## Operational overview

### Sales and product mix

The sales growth in Tier-1 and Tier-2 regions continue to outpace the sale in Tier-3 and Tier-4 regions, including rural areas. This trend is expected to gain momentum in the future. The throughput per Tinting Machine is steadily growing and efforts are on to increase it further

### Value growth

| Product category | FY2021-2022 | FY2022-2023 | FY2023-24 |
|---|---|---|---|
| Cement paints + putty | 7.91% | 33.19% | 35.87% |
| Emulsions | 39.80% | 18.20% | 15.01% |
| Enamels + wood coatings | 16.03% | 30.30% | 13.63% |
| Primers + distempers + others | 21.42% | 18.93% | 32.16% |

### Volume growth

| Product category | FY2021-2022 | FY2022-2023 | FY2023-24 |
|---|---|---|---|
| Cement paints + putty | 3.86% | 25.52% | 35.50% |
| Emulsions | 21.66% | 5.88% | 15.36% |
| Enamels + wood coatings | 2.87% | 18.52% | 15.79% |
| Primers + distempers + others | 5.37% | 13.82% | 33.01% |

### Distribution network

During the year under review, the Company increased its active dealer base, reaching a total of 18,105 dealers. Furthermore, the Company augmented its tinting machines to 9,842 in FY24. The expansion of the active dealer network aligns with the Company's long-term business strategy, which aims to attract a greater number of dealers and facilitate the expansion of its footprint.

| Product category | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| No. of depots | 44 | 47 | 47 | 53 |
| Active dealers | 13,214 | 15,787 | 16,496 | 18,105 |
| Tinting machine | 5,472 | 7,101 | 8,273 | 9,842 |

## Financial Overview

The Company concluded the year with a net revenue of 1,30,609 Lakhs on a consolidated basis. The Company has managed to achieve industry leading gross margin at 47.63%. This accomplishment can be attributed to a favourable product mix and a prudent material purchase policy. The EBITDA margin has expanded to 18.23% from 16.91% in FY23, while the PAT margin has decreased to 11.27% from 12.18% in FY23.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor.

The key financial ratios are given below:

### On Standalone Basis

| Product category | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| Revenue from operations (in Lakhs) | 72,332.47 | 90,597.48 | 1,07,333.43 | 1,25,486.11 |
| Gross margin (%) | 47.95 | 43.32 | 44.54 | 47.90 |
| EBITDA (₹ in Lakhs) | 12,251.61 | 13,598.37 | 18,153.24 | 23,269.79 |
| EBITDA margin (%) | 16.94 | 15.01 | 16.91 | 18.54 |
| Profit for the year (₹ in Lakhs) | 7,085.01 | 8,404.80 | 13,193.94 | 14,865.26 |
| PAT margin (%) | 9.80 | 9.17 | 12.18 | 11.72 |
| Capital employed (₹in Lakhs) | 53,992,27 | 62,777.76 | 75,251.10 | 89,854.25 |
| ROCE (%) | 18.84 | 18.42 | 20.90 | 22.25% |
| RoNW | 12.57 | 12.93 | 17.00 | 16.24 |
| Debt-equity ratio (in times) | 0 | 0 | 0 | 0 |
| Debtors turnover ratio | 6.38 | 6.16 | 5.75 | 6.21 |
| Inventory turnover | 4.39 | 4.84 | 5.06 | 4.61 |
| Interest coverage ratio | 26.68 | 86.91 | 114.29 | 125.70 |
| Current ratio | 2.37 | 2.34 | 1.96 | 2.16 |

1. Capital employed = Tangible net worth (i.e., paid up capital + reserves – goodwill) + total debt + deferred tax liability
2. Return on capital employed (ROCE) = Earnings before interest and taxes (i.e., profit before tax + finance cost) ÷ capital employed
3. Debtors turnover ratio = Net credit sales (gross credit sales – sales return) ÷ average trade receivable
4. Inventory turnover ratio = Cost of goods sold ÷ average inventory
5. Return on net worth (RONW) = Profit after tax ÷ shareholders' equity (i.e. equity share capital + reserves)

| Particulars | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| Discount as a % of revenue from operations | 12.64 | 14.22 | 17.39 | 21.78 |
| Employee costs as % of net revenue | 6.68 | 6.22 | 6.81 | 7.36 |
| Advertising and sales promotion as a % of revenue from operations | 10.65 | 9.72 | 7.70 | 7.36 |
| Material costs as a % of revenue from operations | 52.05 | 56.68 | 55.46 | 52.10 |
| Freight and handling as a % of revenue from operations | 9.93 | 8.89 | 8.97 | 9.62 |
| Overhead costs- other expenses (excluding Freight and handling, A&P) | 3.74 | 3.48 | 4.15 | 5.02 |

**On Consolidated Basis**

| Particulars | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| Revenue from operations (in Lakhs) | 72,332.47 | 90,597.48 | 1,07,333.43 | 1,30,608.58 |
| Gross margin (%) | 47.95 | 43.32 | 44.54 | 47.63 |
| EBITDA (₹in Lakhs) | 12,251.61 | 13,598.37 | 18,153.24 | 23,806.86 |
| EBITDA margin (%) | 16.94 | 15.01 | 16.91 | 18.23 |
| Profit for the year (₹in Lakhs) | 7,085.01 | 8,404.80 | 13,193.94 | 14,882.83 |
| PAT margin (%) | 9.8 | 9.17 | 12.18 | 11.27 |
| Capital employed (₹in Lakhs) | 53,992,27 | 62,777.76 | 75,251.10 | 88,539.03 |
| ROCE (%) | 18.84 | 18.42 | 20.9 | 22.67 |
| RoNW | 12.57 | 12.93 | 17.00 | 16.50 |
| Debt-equity ratio (in times) | 0 | 0 | 0 | 0.003 |
| Debtors turnover ratio | 6.38 | 6.16 | 5.75 | 6.17 |
| Inventory turnover | 4.39 | 4.84 | 5.06 | 4.75 |
| Interest coverage ratio | 26.68 | 86.91 | 114.29 | 94.63 |
| Current ratio | 2.37 | 2.34 | 1.96 | 2.18 |

### Revenue

For FY24, on a consolidated basis Indigo Paints has achieved a revenue of ₹ 1,30,608.58 Lakhs, a robust 21.68% which is far ahead of the industry growth. During the year under review, Indigo Paints had acquired 51% stake in Apple Chemie India Private Ltd which had contributed ₹ 5,122.47 Lakhs to the consolidated revenue from operations. On a standalone basis Indigo Paints has clocked a revenue of ₹ 1,25,486.11 Lakhs, registering a healthy growth of 16.91%.

### Raw materials & gross margins

While the net revenue from operations increased by 21.68% on a consolidated basis, the cost of raw materials and components consumed increased by 14.90% from ₹ 59,524.93 Lakhs in FY2023-24 to ₹ 68,393.51 Lakhs in FY2023-24. On a standalone basis, the cost of raw materials and components consumed increased by 9.84% while the revenue from operations increased by 16.91%. A favourable product mix backed by double digit product growth in all categories and a prudent purchase policy helped to achieve better realisation thereby increasing the gross margins from 44.54% achieved in FY2022-23 to 47.90% in FY2023-24. Once again, Indigo Paints has achieved industry-leading gross margins of 47.90% in FY24 on a standalone basis.

### EBITDA & PAT margins

On a consolidated basis, the EBITDA has grown by 31.14% from ₹ 18153.24 Lakhs in FY23 to ₹ 23806.86 Lakhs in FY24. The EBITDA margin improved from 16.91% in FY23 to 18.23% in FY24. The PAT grew by 28.73% (after adjusting for the reversal of excess provision of tax in FY 23) in FY24 to ₹ 14882.83 Lakhs. On a standalone basis, the EBITDA increased to ₹ 23,269.79.00 Lakhs from ₹ 18,153.24 Lakhs registering a growth of 28.19%. The increase was driven by both growth in sales and expansion in the gross margins. The EBITDA margin expanded to 18.54% from 16.91% in the previous year. This margin expansion was despite the increase in the employee cost which increased by 26.30% from ₹ 7310.08 Lakhs in FY 23 to ₹ 9232.91 Lakhs in FY 24, primarily due to the significant increase in the salesforce as the Company is expanding its presence in Tier -1 and Tier -2 cities. The margins improved due to better realisation at the gross margin level as well as margin expansion due to economies of scale. The reduction in advertisement & promotion cost (as a percentage of revenue from operations reduced) by 34 bps from 7.70% in FY2022-23 to

7.36% in FY2023-24 also aided the margin expansion. The Profit for the year increased significantly from ₹ 13,193.94 Lakhs in FY 2022-23 to 14865.26 Lakhs in FY2023-24.

**Other income, cash and investments**

The other income increased substantially from ₹ 1,006.75 Lakhs in FY 2022-23 to ₹ 1421.64 Lakhs in FY 2023-24, primarily due to the increase in the treasury income. During the year under review the Company had commissioned a state of the art plant at Pudukkottai in Tamil Nadu and has also completely utilised the proceeds of the IPO for the intended purpose. As on March 31, 2024, on a consolidated basis, the Company had ₹ 19964.47 Lakhs and on standalone basis had ₹ 19030.83 Lakhs in terms of cash and cash equivalents, Bank balances, short-term and long-term investment instruments.

**D&A, property plant and equipment**

On a standalone basis, the D&A expense increased from ₹ 3434.66 Lakhs in FY 2022-23 to ₹ 4617.76 Lakhs in FY 2023-24 primarily due to higher depreciation incurred following the addition in plant and machinery worth ₹ 2,30,161.90 Lakhs for the new plant at Pudukkottai, Tamil Nadu. Subsequently, post the capitalisation of the assets, the Capital Work in Progress (CWIP) decreased significantly. Work has also started at the proposed new water-based factory in Jodhpur, Rajasthan.

**Interest coverage ratio and finance costs**

Indigo Paints on a standalone basis is a zero-debt company and the major portion of the finance cost of ₹ 159.07 Lakhs pertains to the lease liabilities. On a consolidated basis, there was a debt of ₹ 308.07 Lakhs pertaining to Apple Chemie India Ltd, a majority of which is for setting up an additional manufacturing facility at Nagpur and working capital requirements.

## Human Resource

Indigo Paints acknowledges the value of its workforce. The Company's efficient workforce has been consistently driving the Company to new heights of success, achieving the set goals and enabling the Company to maintain a competitive edge. In FY 2023-24, the Company has significantly increased its salesforce to improve influencer engagement.

The Company aims to build a strong leadership succession plan while simultaneously nurturing an inclusive and diverse workforce. The Company is committed to providing competitive compensation and benefits packages, along with ample opportunities for professional development and career growth. Its focus on training and skill development ensures that the employees have the tools and resources they need to excel in their roles and contribute meaningfully to the company's goals. Employee safety is a strategic priority at Indigo Paints. The comprehensive health and safety programme goes beyond compliance, incorporating regular training, advanced equipment and strict protocols to ensure a safe work environment for everyone.

The Company's overarching culture plays a central role in fostering individual high performance and creating a sustainable business environment. As the Company has only a few hierarchical levels, employees enjoy a high degree of autonomy and a strong sense of ownership and accountability. The company fosters a flexible, efficient and goal-oriented work environment and encourages profit sharing to effectively reward productive staff. Indigo Paints has a competent talent pool comprising 1,112 employees as of 31st March, 2024.

For a detailed report, refer to page number 024.

## Information technology

The Company's technology plays a vital role in its daily business operations. Indigo Paints has made significant investments to upgrade technology infrastructure, facilitate efficient monitoring of operations and subsequently enhance shareholder value. These investments include implementing technology-driven tools such as the IT-SAP system, streamline processes related to raw material procurement, finished goods, vendor and supplier payments as well as effective receivables management. Additionally, a robust data analytics and reporting system has been developed by the Company .

## Risk Management

Indigo Paints understands the necessity of robust risk management and thereby has employed a structured and disciplined approach to effectively identify, quantify and manage all potential risks. This approach is in accordance with the Company's Risk Management Policy aims to ensure sustainable growth and stability for the business.

As per the policy, all process owners within the Company bear the responsibility to detect and mitigate key risks within their respective domains. This coordinated approach enables the Company to safeguard its business value from uncertainties and potential losses effectively.

The Risk Management Committee, along with the Internal Audit Committee, periodically reviews and monitors the risks and checks the efficiency of mitigation plans. This process ensures that any new material risks are promptly identified, added to the Risk Register and the required mitigation strategy is employed to safeguard the Company from its impact. Risk management has played a crucial role in contributing to the Company's overall stability and growth, thus reinforcing its commitment to sustaining business value.

## Growth strategy and outlook

Following the Company's Strategy 2.0, Indigo Paints has witnessed industry leading growth for 4 quarters in a row and it expects to continue the growth momentum, increase its market share and retain a competitive edge.

The Company has made significant investments in its manufacturing capabilities to cater to the increasing demand. A water-based plant with automatic storage and retrieval system, capable of manufacturing more than 50,000 KLPA, was commissioned in Pudukkottai, Tamil Nadu. Two more plants are under construction – a water-based plant with capacity of 90,000 KLPA and a solvent-based plant with a capacity of 12,000 KLPA are located at Jodhpur facility. Additionally, the Company is also planning to double the existing putty manufacturing capacity at the Jodhpur facility.

## Internal control system

The Company has established internal control systems that are appropriate for the nature of its business, as well as the scale and complexity of its operations. These systems include well-defined policies and procedures designed to ensure the effectiveness and efficiency of its operations, reliability of financial reporting, compliance with applicable laws and regulations, prevention and detection of fraud and errors, and safeguarding of assets. Regular examinations by internal auditors are conducted to assess the adequacy and effectiveness of these internal controls, following a risk-based audit strategy. The internal audit plan is reviewed and approved by the Audit Committee, which also evaluates the sufficiency and effectiveness of the Company's internal financial controls and monitors the implementation of audit recommendations. The Audit Committee is kept informed of significant audit findings and activities, and appropriate corrective measures are undertaken accordingly.

## Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified/ non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Board Report

Dear Members,

Your Directors are pleased to present the 24th Annual Report on the business and operations of Indigo Paints Limited ("the Company/your Company") together with the Audited Financial Statements (standalone and consolidated) for the Financial Year ended March 31, 2024.

## FINANCIAL RESULTS AND STATE OF COMPANY AFFAIRS

The key highlights of the financial results of your Company for the financial year ended March 31, 2024 and comparison with the previous financial year ended March 31, 2023 are summarised below:

(₹ In Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Revenue from operations | 1,25,486.11 | 1,07,333.43 | 1,30,608.58 | 1,07,333.43 |
| **Less:** Expenses | 1,02,216.32 | 89,180.19 | 1,06,801.72 | 89,180.19 |
| **EBITDA** | **23,269.79** | **18,153.24** | **23,806.86** | **18,153.24** |
| Less: | | | | |
| Finance Cost | 159.07 | 137.59 | 212.10 | 137.59 |
| Depreciation | 4,617.76 | 3,434.66 | 5, 158.32 | 3,434.66 |
| Add: | | | | |
| Other income | 1,342.98 | 1,006.75 | 1,421.64 | 1,006.75 |
| **Profit before Tax** | **19,835.94** | **15,587.74** | **19,858.08** | **15,587.74** |
| Less: Tax expenses (including deferred Tax) | 4970.68 | 2,393.80 | 4,975.25 | 2,393.80 |
| **Profit after Tax** | **14,865.26** | **13,193.94** | **14,882.83** | **13,193.94** |
| Add/(Less): Total Other Comprehensive Income | (6.68) | (2.35) | 1.38 | (2.35) |
| **Total Comprehensive Income for the year** | **14,858.58** | **13,191.59** | **14,884.21** | **13,191.59** |

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Overview of Company's Financial Performance on Standalone basis:

- Revenue from Operations of the Company stood at ₹ 1,25,486.11 Lakhs as against ₹ 1,07,333.43 Lakhs for the previous year, registering a growth of 16.91% in the revenue.
- EBITDA of the Company increased to ₹ 23,269.79 Lakhs as against ₹ 18,153.24 Lakhs for the previous year, registering a growth of 28.19% in EBITDA.
- Profit after Tax (PAT) of the Company increased to ₹ 14,865.26 Lakhs as against ₹ 13,193.94 Lakhs for the previous year, registering a growth of 28.58%* in PAT.

  *adjusted for reversal of excess tax provision of ₹ 1,632.99 in FY 2022-23.

Overview of Company's Financial Performance on Consolidated basis:

- Revenue from Operations of the Group stood at ₹ 1,30,608.58 Lakhs as against ₹ 1,07,333.43 Lakhs for the previous year, registering a growth of 21.68% in the revenue.
- EBITDA of the Group increased to ₹ 23,806.86 Lakhs as against ₹ 18,153.24 Lakhs for the previous year, registering a growth of 31.14% in EBITDA.
- Profit after Tax (PAT) of the Group increased to ₹ 14,882.83 Lakhs as against ₹ 13,193.94 Lakhs for the previous year, registering a growth of 28.73%* in PAT.

  *adjusted for reversal of excess tax provision of ₹ 1,632.99 in FY 2022-23.

**Major Events:**

The Company entered into a Share Purchase and Share Subscription Agreement and Share Holders Agreement with Apple Chemie India Private Limited ("Subsidiary Company") on April 03, 2023 and acquired 51% Equity shares in the subsidiary company.

The subsidiary company is operating in the space of Construction Chemicals and Water Proofing products. The Company has launched retail range of waterproofing and construction chemical products utilizing know-how from the subsidiary Company.

The Company's state-of the-art, fully automated manufacturing facility at Pudukkottai, Tamil Nadu has commenced its commercial production on September 18, 2023. The new manufacturing facility has the capacity to produce over 50,000 KL per annum of water-based paint products. The state of the art facility is expected to cater to the rising demand for the Company's products.

The Company has commenced work on establishing a new water based paint plant of 90,000 KLPA capacity and solvent based paint plant of 12,000 KLPA at Jodhpur, Rajasthan, which are expected to be operational during FY 2025.

## DIVIDEND

The Board of Directors at it's meeting held on May 22, 2024, has recommended payment of ₹ 3.50/- (Three Rupees and Fifty Paise only) (35%) per equity share of the face value of ₹ 10/- (Rupees Ten only) each as final dividend for the financial year ended March 31, 2024. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The aforesaid final dividend is being paid by the Company from its profits for the financial years under review.

As per the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend from time to time after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations/ SEBI Regulations) is available on the Company's website: https://indigopaints.com/investors/corporate-governance-2

The dividend pay-out ratio including the proposed final dividend of the Company would be 11.21%.

## TRANSFER TO RESERVES

During the year under review, no amount was transferred to General Reserves by the Company.

## CHANGE IN NATURE OF BUSINESS

There is no change in nature of business of your Company.

## UTILIZATION OF IPO PROCEEDS

Your Company had 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 from time to time, to monitor the utilization of the IPO proceeds. Your Company obtained the monitoring reports from the Monitoring agency every quarter and disclosed the same with BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

Out of the IPO proceeds of ₹ 28,711.21 Lakhs, your Company has utilized the funds as per the below mentioned table as on March 31, 2024:

(₹ In Lakhs)

| Sr. No | Item Head | Amount as proposed in offer document | Amount utilized | Total unutilized Amount |
|---|---|---|---|---|
| 1 | Funding capital expenditure for the Proposed Expansion | 15,000.00 | 15,000.00 | 00.00 |
| 2 | Purchase of tinting machines and gyro shakers | 5,000.00 | 5,000.00 | 00.00 |
| 3 | Repayment/prepayment of certain borrowings of our Company | 2,500.00 | 2,500.00 | 00.00 |
| 4 | General corporate purposes | 6,211.21 | 6,211.21 | 00.00 |
| | **Total** | **28,711.21** | **28,711.21** | **00.00** |

The Monitoring Agency Reports are available at the Company's website at https://indigopaints.com/investors/corporate-governance-2.

As on the date of this report, your Company has utilized the entire amount from the IPO proceeds resulting in closure of the Monitoring Bank Account held with ICICI Bank Limited.

Your directors confirm that there have been no deviations from the objects as mentioned in the Company's prospectus dated January 25, 2021.

## SHARE CAPITAL

During the year under review there was no change in the authorised capital of the Company. However, the subscribed and paid up share capital of the Company was increased from 4,75,88,282 number of equity shares amounting to ₹ 47,58,82,820/- to 4,76,20,987 number of equity shares amounting to ₹ 47,62,09,870/-.

The above mentioned increase was due to the allotment of additional shares vide exercise of options by the eligible employees under the Indigo Paints- Stock Option Scheme, 2019.

## EMPLOYEE STOCK OPTION SCHEME

In order to enable the employees to participate in the future growth and to attract and retain talent, the Company has adopted the "Indigo Paints- Stock Option Scheme, 2019" ("ESOS, 2019").

The Members of the Company, in the Annual General Meeting held dated September 02, 2021, had ratified the ESOS 2019, owing to the requirements under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and authorised the Board to grant, allot stock options to the eligible employees of the Company.

As per Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 the disclosures are as follows:

| Sr. No | Particulars | ESOS 2019 |
|---|---|---|
| 1 | Number of Options granted | 43,500 |
| 2 | Exercise price or Pricing formula (₹) | 10 |
| 3 | Number of Options vested and exercisable | 30,270 |
| 4 | Number of Options exercised | 32,705 |
| 5 | Total number of shares arising out of exercise of Options | 32,705 |
| 6 | Number of Options lapsed (includes forfeited and lapsed options) | 8,615 |
| 7 | Variation in the terms of the Options | - |
| 8 | Money realized by exercise of Options (₹) | 3,27,050 |
| 9 | Total number of Options in force | 1,19,875 |

**10 Employee wise details of options granted to -**

| | | Name | Options granted |
|---|---|---|---|
| A | Senior Management Personnel's and Key Managerial Personnel's | NA | |
| 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 | | |
| 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. | | |

The applicable disclosures as stipulated under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are provided in **Annexure A** to this Report and are available on the Company's website at https://indigopaints.com/investors/annual-reports/

The certificate from the Secretarial Auditor on the implementation of the 2021 Plan in accordance with Regulation 13 of the SEBI SBEB Regulations, has been uploaded on the Company's website at https://indigopaints.com/investors/annual-reports. The certificate will also be available for electronic inspection by the members during the AGM of the Company.

The Board in its Meeting held on July 13, 2024 has approved the new scheme of ESOP, ESOS 2024 by creating further ESOP Pool with 2,50,000/- shares. The same is put forward to the shareholders for their approval in ensuing Annual General Meeting.

These equity-based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock-based compensation scheme. The equity-based compensation plans are an effective tool to reward and retain the talents working with the Company.

## CREDIT RATING

As your Company has not availed any credit facility, there was no requirement for obtaining any credit rating.

## 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

### Overview

The Company's Human Resources division concentrated on efficient plan execution throughout the year under review by utilizing its skilled staff. The HR department of the company's main focus during the year was handling the benefits administration and employee life cycle. Additionally, to focus on rebuilding the complete support system for assuring the health and wellbeing of employees. Steps including workforce planning, digitalization of HR systems, enhancement of medical facilities, health monitoring, and ongoing communication were necessary for this. These actions increased employee confidence, and the workers reciprocated by offering their entire support by adjusting to the new working circumstances and schedules.

### Employee Performance & Engagement

To ensure the comprehensive well-being of our employees—financial, social, mental, and physical—we offer a wide array of benefits throughout their tenure with the company. To attract and retain skilled and experienced personnel, we have implemented an employee stock options policy.

A 360-degree collective feedback system is in place to nurture and develop our talent pipeline, aligning closely with our pay structure and promotion processes. Our People Review process identifies development opportunities and charts growth paths for our managerial talent, coupled with regular performance feedback for all staff. This approach has enhanced interactions between management and employees.

This year, we conducted an organization-wide employee pulse survey, assessing various aspects such as workplace environment, leadership, career goals, teamwork, rewards, and recognition. Based on the survey results, numerous initiatives were launched to address identified gaps.

**Employee Welfare and Policies**

Understanding what engages and motivates our employees, as well as their perspectives on the workplace, is vital. Therefore, we promote open and frequent communication between managers and their teams, conduct regular surveys, and establish a framework that encourages employees to voice concerns, provide feedback, and suggest improvements.

Our comprehensive HR policy framework includes maternity benefits, employee and family insurance, and flexible scheduling to help employees maintain a work-life balance. Monthly workshops are held to educate staff on their physical, mental, and overall well-being.

Fostering diversity and inclusion at work, we leverage the varied viewpoints and perspectives of a diverse workforce in terms of age, gender, and race, which drives innovation. Our commitment to Equal Employment Opportunity, Equal Pay, and Conditions of Employment Policies ensures no discrimination based on gender, race, religion, caste, creed, or similar factors. Hiring, promotions, and performance reviews are solely merit-based.

**Digital Transformation**

The company embarked on a digital transformation of its human resources management system, aiming for innovation, agility, operational excellence, and added value for employees. A new mobile app allows employees to manage holiday dates, documents, payslips, and other notifications and events seamlessly.

Additionally, an online expense management module has been introduced to enable digital expense recording. By focusing on people analytics, we measure the effectiveness of HR programs and derive insights for making informed business decisions based on trends, patterns, and feedback.

**Identification and Nurturing of Star Performers**

Identifying and nurturing star performers is a key focus of our HR strategy. We ensure these high-potential employees are aligned with career trajectories that match their strengths and aspirations. By providing tailored development plans and opportunities, we guide them towards leadership roles and critical positions within the company. Regular reviews and mentorship programs are in place to support their continuous growth.

**Building Talent**

We take pride in our legacy of developing leaders from within the company, with many senior positions filled by individuals who have built their careers here. The management team is dedicated to robust succession planning at all levels. A comprehensive leadership development initiative is underway to identify, promote, and retain high potential employees across the sector.

Our structured recruitment process attracts the right talent at every level. We utilize diverse approaches, including social media, campus participation, and job boards, to engage entry-level candidates, offering a genuine value proposition. We emphasize internal mobility to maintain expertise and experience, providing attractive career opportunities and turning necessary restructurings into growth opportunities.

**Employee and Leadership Development**

Our company is committed to helping employees develop the knowledge, skills, and abilities needed for long-term success, encouraging professional development throughout their careers. We provide structured training programs to enhance efficiency and skills.

To cultivate future leaders, we offer cross-functional programs aimed at developing management and leadership skills. These programs are designed to lead the organization through change, build teams, manage performance, and equip employees with the qualities essential for business success, in line with our corporate strategy, values, and beliefs.

Recruitment Strategy and Retention Policies We have developed a comprehensive recruitment strategy that aligns with our business objectives and attracts top talent. By leveraging social media, campus engagement, and job boards, we reach a diverse pool of candidates. Our retention policies, including competitive appraisals and career development opportunities, ensure we retain our valuable workforce. We continuously refine these strategies to meet evolving industry standards and employee expectations.

**Employee Relations & Compliance**

We maintain a zero-tolerance policy towards sexual harassment in the workplace, adhering to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. All our facilities and offices have Internal Complaints Committees (ICC) to address and resolve complaints related to sexual harassment.

**Employee Handbook and Accessibility**

To enhance the employee experience and ease of access to essential information, we have developed a detailed and concise employee handbook. This resource provides clear guidance on company policies, procedures, and expectations, making it easier for employees to navigate their roles and responsibilities. The handbook is readily accessible through our digital platforms.

By focusing on these strategic HR initiatives, we continue to foster a supportive and progressive work environment, ensuring the well-being and professional growth of our employees.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

The appointment and remuneration of Directors and Key Managerial Personnel are governed by applicable provisions of Companies Act and Listing Regulations and the Policy devised by the Nomination and Remuneration Committee of your Company. The terms of reference of Nomination and Remuneration Policy are contained in the Corporate Governance Section of the Annual Report.

Your Company's Board comprises of the following Directors and Key Managerial Personnel as on March 31, 2024:

| 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. | Ms. Ashwini Deshpande | Independent Director |
| 5. | Mr. Sunil Badriprasad Goyal | Independent Director |
| 6. | Mr. Praveen Kumar Tripathi | Independent Director |
| 7. | Mr. Ravi Nigam | Independent Director |
| 8. | Ms. Sakshi Vijay Chopra | Non-Executive Nominee Director |
| 9. | Ms. Dayeeta Shrinivas Gokhale | Company Secretary & Compliance Officer |
| 10. | Mr. Chetan Bhalchandra Humane | Chief Financial Officer |

*Ms. Anita Jalan resigned with effect from close of business hours on May 22, 2024.

Note: Mr. Parag Jalan was appointed as an additional Non-executive & Non-independent director with effect from May 22, 2024 and his appointment is recommended to the Shareholders for their approval in ensuing Annual General Meeting.

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.

Further, in terms of the regulatory requirements, the name of every Independent Director is to be registered 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.

The Board had re-appointed, Mr. Sunil Goyal (DIN: 00503570) as an Independent Director for the further term of 5 consecutive years, in its meeting held on May 22, 2024 based on the recommendation of Nomination and Remuneration Committee, subject to approval of shareholders of the Company in ensuing Annual General Meeting. He is a Member of the Institute of Chartered Accountants of India, is the Founder and Managing Partner of Kreston SGCO Advisors LLP and the Founder and Mentor of SGCO & Co., Chartered Accountants, a well-known accountancy firm based in Mumbai. He is also the Chairman & Managing Director of Ladderup Group engaged in financial services. He leads a team of more than 300 professionals in his group and is a former member of the Global Board of Kreston Global, UK, headquartered in London. He has also served as the Chairman of WIRC of The Institute of Chartered Accountants of India (ICAI) with 35 years of experience. He specialises in the field of financial and business consultancy with core strengths in fund raising, business restructuring, mergers and acquisitions, strategic alliances and capital markets. He is also on the Boards of other reputed companies. His rich experience as an entrepreneur has immensely helped the Company in the current term as an Independent Director.

The Board had re-appointed, Mr. Praveen Tripathi (DIN: 03154381) as an Independent Director for the further term of 5 consecutive years, in its meeting held on May 22, 2024 based on the recommendation of Nomination and Remuneration Committee, subject to approval of shareholders of the Company. Mr. Tripathi 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 and Kisan Mouldings Pvt Ltd. 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 is currently a member of Awareness and Communications Strategy Advisory Council of UID Authority of India (April 2023 to till date). 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. His rich experience as an entrepreneur has immensely helped the Company in the current term as an Independent Director.

## KEY MANAGERIAL PERSONNEL (KMP):

During the year under review, Ms. Dayeeta Shrinivas Gokhale was appointed as Company Secretary and Compliance Officer w.e.f June 29, 2023 in place of former Company Secretary, Mr. Sujoy Sudipta Bose, who had resigned with effect from closure of business hours on June 28, 2023.

In terms of the Companies Act, 2013, the following are the KMPs of the Company as on March 31, 2024:

- Mr. Hemant Kamala Jalan- Managing Director
- Mr. Chetan Bhalchandra Humane- Chief Financial Officer
- Ms. Dayeeta Gokhale- Company Secretary

## DIRECTORS RETIRING BY ROTATION

Mr. Narayanankutty Kottiedath Venugopal, 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 himself for re-appointment. His 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.

## 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 5 (five) times during the financial year 2023-24. 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:

a) Audit Committee;

b) Nomination and Remuneration Committee;

c) Stakeholders Relationship Committee;

d) Corporate Social Responsibility Committee;

e) Risk Management Committee; and

f) ESG Committee

The details with respect to the composition, terms of reference, number of meetings held and 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.

During the year under review, a separate meeting of the Independent Directors was held on March 28, 2024, with no participation of Non- Independent Directors or the Management of the Company. The Independent Directors had discussed and reviewed the performance of the Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties.

## 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 understands the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation in respect of the following:

i. Board of Directors as a whole.

ii. Committees of the Board.

iii. Individual Directors including the Chairperson of the Board of Directors.

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) 2015 and the Guidance Note on Board Evaluation issued by SEBI, your Company has carried out a Performance Evaluation process internally for the Board/Committees of the Board/ individual directors including the Chairperson of the Board of Directors for the financial year ended March 31, 2024.

The Board on the recommendation of Nomination & Remuneration Committee has adopted the 'Remuneration and Evaluation Policy' for selection, appointment and remuneration of Directors and Senior Management Personnel including criteria for determining qualifications, positive attributes, independence of a director and other matters as required by the Companies Act, 2013. Necessary diversity in the board was ensured. Detailed policy is available at Company's website https://indigopaints.com/investors/corporate-governance-2/

The key objectives of conducting the Board Evaluation process were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in the Board/Committee Meetings and contribute to achieve the common business goals of the Company.

The Directors carry out the aforesaid Performance Evaluation in a confidential manner and provide their feedback on a rating scale of 1-5.

Also, the Board was of the opinion that the directors and Board collectively stand the highest level of integrity and all members of the Board had specified skill set and experience required for the Company.

## FAMILIARISATION PROGRAMME

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) 2015, 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 https://indigopaints.com/investors/corporate-governance-2/.

## SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

The Company has one subsidiary Company as on March 31, 2024.

The Company had acquired 51% Equity stake in Apple Chemie India Private Limited ("Subsidiary Company") w.e.f April 03, 2023. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached in Annexure B to this Board Report.

The Company does not have a material subsidiary.

## RELATED-PARTY TRANSACTIONS

In accordance with the provisions of Section 188 of Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Policy on Related-Party Transactions which can be viewed at https://indigopaints.com/investors/corporate-governance-2/

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with materiality of related party transactions.

All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of the provisions of the Act.

Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence no justification has been separately provided in that regard.

The details of the related party transactions as per Ind AS-24 on Related Party Disclosures are set out in Note No. 28 to the standalone financial statements of the Company.

## DEPOSITS

No deposit within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by your Company during the year under review.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans or investments have been made by the Company during the financial year March 31, 2024.

However, the Company has provided guarantee upto ₹ 1,800 Lakh to its subsidiary Company.

## 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.

The Ministry of Corporate Affairs ("MCA") on August 5, 2022 had amended Rule 3 of Companies (Accounts) Rules, 2014 relating to maintenance of electronic books of account and other relevant books and papers w.e.f April 01, 2023.

Your Company confirms that it is in compliance with the requirement of the above amended rule subject to the details mentioned in Note No. 43 & 44 of Standalone Financial Statements.

## 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 30th September, 2019.

The Auditors have issued an unmodified opinion on audited financial statements of the Company for the year ended March 31, 2024. 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.

The term of appointment of SRBC and Co., LLP, as Statutory Auditors will come to an end at the conclusion of the ensuing Annual General Meeting (AGM) of the Company. The Board in it's Meeting held on May 22, 2024 has appointed M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, as the Statutory Auditors for a term of five years i.e. from the date of the ensuing AGM to be held for the financial year 2023-24 till the conclusion of the AGM to be held for the financial year 2028-29, on the recommendation by the Audit Committee pursuant to Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Schedule II, Part C of SEBI Regulations, 2015 and their appointment is further recommended to the Shareholders for their approval.

M/s. Price Waterhouse Chartered Accountants LLP has confirmed their eligibility and independence criteria.

**(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, Designated Partner of M/s. ARKS and Co LLP, Company Secretaries, (formerly know as ARKS & Associates) to undertake Secretarial Audit of the Company for the financial year 2023-24. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as Annexure C.

The Company has filed the Secretarial Compliance Report, issued by Mr. Sushant Kulkarni, as on March 31, 2024 on both the Stock Exchanges of the Company pursuant to Regulation 24A of the Listing Regulations.

The secretarial auditor's report has no qualifications for the financial year 2023-24.

The Board of directors, in its meeting held on May 22, 2024, on the recommendation of the Audit Committee has appointed Mr. Sushant Kulkarni, Designated Partner of M/s. ARKS and Co LLP, Company Secretaries as Secretarial Auditor of the Company to undertake Secretarial Audit of the Company for the financial year 2024-25.

As required by Schedule V of the Listing Regulations, the Auditor's Certificate on Corporate Governance received from Mr. Sushant Kulkarni is annexed to the Report on Corporate Governance forming part of the Annual Report.

**(d) Internal Auditors:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, Mr. Srihari Santhakumar, General Manager-Finance, was appointed by the Board of Directors to conduct internal audit of your Company for the financial year 2023-24.

The Board of directors, in its meeting held on May 22, 2024, has appointed M/s. DKV & Associates, as Internal Auditor of the Company for the financial year 2024-25.

## INSTANCES OF FRAUD, IF ANY, REPORTED BY THE AUDITORS

During the year under review, the Statutory Auditors has 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:

a. The Annual Accounts have been prepared in conformity with the applicable Accounting Standards and there are no material departures;

b. 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 2023-2024 and of the profit for that period;

c. 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;

d. The Annual Accounts have been prepared on a going concern basis;

e. The internal financial controls laid down by the Company were adequate and operating effectively; and

f. 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, the 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 by the domain heads. The Company has formed a Risk Management Committee and formed the Policy on the Risk Management 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: https://indigopaints.com/investors/corporate-governance-2/

During the year under review, the Company has also reviewed the Policy on Risk Management.

### 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 provides 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.

## DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR

Your Company confirms that there has been no application or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 ("the Code") during the year under review. Your Company further confirms there are no past applications or proceeding under the Code.

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

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of 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:**

i) Started installation of 20 kw of renewable energy (solar panels) at Pune Office.

ii) undertaken energy audit at Kochi and Jodhpur factories.

iii) Installed/replaced energy efficient equipment, motors, lightings etc. as recommended in the energy audit.

**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 natures of activities carried out by R&D team are as follows:

i) Offering premium product with multifunctional use.

ii) Upgrading our current products to meet the needs of the consumer.

iii) Value generation via formula optimization, new sourcing, process efficiency and usage of alternative raw material to enhance profitability.

iv) Development of new lab testing methods for faster approval of raw materials.

v) Continuous benchmarking of our product with other market players.

New product developed in the financial year 2023-24 is as follows:

- Damp Seal Primer
- Aquashield
- Superseal
- Polyrepair
- Dampstop 2K
- Crack Heal Paste

**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 | 6175.21 |

## 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, 2024, 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 D.

As per the provisions of Section 135 of the Companies Act, 2013, every Company falling under the applicability of Corporate Social Responsibility is required to spend 2% of its average net profits of previous three years on the activities given under Schedule VII of the Companies Act, 2013, and CSR policy adopted by the Board of Directors. The Company has spent a total amount of ₹ 2,35,00,000/- during financial year 2023 -24.

During the year under review your Company has been actively involved in CSR activities. Your Company has carried out CSR activities in fields of education and women empowerment. Your Company has spent the requisite amount in line with the CSR Policy recommendations by the CSR Committee and approval of the Board of Directors of your Company.

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

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

A Business Responsibility and Sustainability Report ("BRSR") describing the initiatives taken by the Company from an environment, social and governance perspective, as required in terms of the provisions of Regulation 34 (2) (f) of SEBI Regulations, 2015, separately forms a part of the Annual Report of the Company.

## PREVENTION OF INSIDER TRADING

Your Company has adopted a Code of Conduct and Code of practices & procedures for fair disclosure of Unpublished Price Sensitive Information 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 affecting financial position of the Company between end of the financial year i.e. March 31, 2024 and date of this report.

## 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.

## PARTICULARS OF EMPLOYEES

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 E 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 part of the Annual Report of the Company.

## 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, the Committee had not received any complaints on sexual harassment.

## VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) 2015, to report concerns about unethical behavior. 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 https://indigopaints.com/investors/corporate-governance-2/

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

## ANNUAL RETURN

In accordance with Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as of March 31, 2024 in Form MGT-7 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

Your Company has not taken any debt and therefore, the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions in accordance with the disclosure requirements under Rule 8 (5) of Companies (Accounts) Rules, 2014 is not applicable.

## 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**

**Hemant Kamala Jalan**
Chairman and Managing Director
DIN: 00080942

Place: Pune
Date: July 13, 2024

# Annexure A

**DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 (SBEB Regulations) AS ON MARCH 31, 2024:**

There was no material change in the ESOP Scheme 2019 (ESOS, 2019). The ESOS, 2019 is in compliance with the Regulations.

All the relevant details of the Company's Employee Stock Option Schemes are provided below and are also available on the website of the Company at https://indigopaints.com/investors/annual-reports/

## A. Relevant disclosures in terms of Accounting Standards prescribed by the Central Government and Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:

Refer Note No. 29 forming part of the Standalone Financial Statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standard (Ind AS) 102- Share Based Payment.

## B. Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Ind AS-33' – Earnings per Share issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note No.26 & 29 forming part of the Standalone Financial Statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standard (Ind AS) 33- Earnings per Share.

## C. Details related to ESOS

| | Details of ESOS | 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 | March 28, 2019 |
| 2. | Total number of options approved under ESOP | 2,50,000 |
| 3. | Vesting requirements | Options granted under ESOS 2019 shall vest as per the below table:<br><br>**Period** / **Number of Options to complete Vesting**<br>At the End of 1st Year from the date of Grant: 10% of the option Granted<br>At the End of 2nd Year from the date of Grant: 20% of the option Granted<br>At the End of 3rd Year from the date of Grant: 30% of the option Granted<br>At the End of 4th Year from the date of Grant: 40% of the option Granted |
| 4. | Exercise price or pricing formula | As decided by the Nomination and Remuneration Committee. |
| 5. | Maximum term of options granted | Options vested under this Scheme shall be exercised within 48 months from the date of vesting |
| 6. | Source of shares (Primary, Secondary or combination) | Primary |
| 7. | Variation in terms of options | NIL |
| **II.** | **Method used to account for ESOS:** (Intrinsic or fair value) | Fair value |
| **III.** | **Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.** | Not Applicable |

| Details of ESOS | | Employee Stock Option Scheme, 2019 ("ESOS, 2019") |
|---|---|---|
| **IV.** | **Option Movement during the year:** | |
| 1. | Number of options outstanding at the beginning of the year | 1,17,695 |
| 2. | Number of options granted during the year | 43,500 |
| 3. | Number of options forfeited/lapsed during the year* | 8,615 |
| 4. | Number of options vested during the year | 30,270 |
| 5. | Number of options exercised during the year | 32,705 |
| 6. | Total number of shares arising as a result of exercise of options if scheme is implemented directly by the Company | 32,705 |
| 7. | Money realised by exercise of options (₹) | 3,27,050 |
| 8. | Loan repaid by the Trust during the year from exercise price received | Not Applicable |
| 9. | Number of options outstanding at the end of the year | 1,19,875 |
| 10. | Number of options exercisable at the end of the year | 6080 |
| **V. a.** | **Weighted-average exercise price of options granted during the year whose:** | |
| i. | Exercise price equals market price | NA |
| ii. | Exercise price is greater than market price | NA |
| iii. | Exercise price is less than market price (₹) | 10 |
| **b.** | **weighted average fair values of options granted during the year whose:** | |
| i. | Exercise price equals market price | NA |
| ii. | Exercise price is greater than market price | NA |
| iii. | Exercise price is less than market price (₹) | 1,488.41 |
| **VI.** | **Employee-wise details of options granted during the financial year 2023-24 to:** | |
| i. | Senior Managerial Personnel and Key Managerial Personnel | **Name** / **Options granted** |
| ii. | Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year | Not Applicable |
| 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 | |

**VII. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

**a) Weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, risk free interest rate and any other inputs to the model;**

The fair value has been calculated using the Black Scholes Option Pricing Model The Assumptions used in the model are as follows:

| Particulars | | 2023-24 |
|---|---|---|
| 1. | Weighted average Risk-Free Interest Rate | 7.01-7.06% |
| 2. | Weighted average Expected Life | 4.15-7.15 years |
| 3. | Weighted average Expected Volatility | 28% |
| 4. | Weighted average expected Dividend Yield | 0.23% |
| 5. | Price of the underlying share in market at the time of the option grant (₹) | 1,507.40 |
| 6. | Weighted average exercise price (₹) | 10 per share |
| **b)** | **Method used and assumptions made to incorporate effects of expected early exercise:** | The fair value has been calculated using the Black and Scholes valuation model |
| **c)** | **How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility** | The detailes have been given in Note No. 29 of the Financial Statements |
| **d)** | **Whether and how any other feature of the option grant were incorporated into the measurement of fair value, such as market** | None |

**Disclosures in respect of grants made in three years prior to IPO under each ESOS**

The detailed disclosure of ESOS 2019 has been given in Note No. 29 of the Financial Statements

# Annexure B

## Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
(Information in respect of each subsidiary to be presented with amounts in Lakhs)

### Part "A": Subsidiaries

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the subsidiary | Apple Chemie (India) Private Limited |
| 2 | The date since when subsidiary was acquired | April 03, 2023 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as holding Company |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | Indian Rupees |
| 5 | Share capital | 88.07 |
| 6 | Reserves & Surplus | 2,858.80 |
| 7 | Total assets | 4462.15 |
| 8 | Total Liabilities (inclusive of Share Capital, Reserves & Surplus) | 4,462.15 |
| 9 | Investments | 907.10 |
| 10 | Turnover | 5169.65 |
| 11 | Profit before taxation | 413.18 |
| 12 | Provision for taxation | 105.14 |
| 13 | Profit after taxation | 308.04 |
| 14 | Proposed Dividend | - |
| 15 | Extent of shareholding (in percentage) | 51% |

Note: Part B of AOC-1 is not applicable as the Company does not have any Joint Ventures or Associate Companies.

# Annexure C

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indigo Paints Limited (CIN: L24114PN2000PLC014669) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Indigo Paints Limited'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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 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:

We 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, 2024, 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 there under to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent applicable;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

(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; (Not applicable to the Company during the Audit Period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit period.)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period.) and

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable; and circulars/guidelines issued thereunder;

(vi) We 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 and Rules & Regulations thereunder.

(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.

(d) Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016.

(e) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

(f) Provident Funds and Miscellaneous Provisions Act, 1952.

(g) Employees' State Insurance Act, 1948.

(h) The Legal Metrology Act, 2009 and Rules & Regulations thereunder;

(i) The Regulation on Lead contents in Household and Decorative Paints Rules, 2016;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of the Board of Directors (SS- 1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and

(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.

**We 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 the review were carried out in compliance with the provision 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.

We 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.

We 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.:

i. During the period under review, the Company has entered into a Share Purchase and Share Subscription Agreement and Share Holders Agreement with Apple Chemie India Private Limited ("Subsidiary Company") on April 03, 2023 and acquired 51% Equity Shares in the Subsidiary Company.

ii. During the period under review, the consent of Board was accorded to grant an aggregate of 43,500 stock options to the employees on such terms and conditions as agreed by the Board in the resolution passed in its meeting held on May 26, 2023.

iii. During the period under review, the Board of Directors submitted the quarterly Statement of Deviation and Variation on use of proceeds of the IPO of the Company along with the Monitoring Report issued by the ICICI Bank Ltd reviewed by Audit Committee of the company for each quarter as required under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) 2015. The Company has utilized the entire amount from the IPO Proceeds resulting in closure of the Monitoring Bank Account held with the ICICI Bank Limited.

iv. During the period under review, the Company has complied with all the Statutory Compliances as required under SEBI (Listing Obligations and Disclosure Requirements) 2015.

v. During the period under review, all the necessary compliances with respect to Corporate Governance as specified under SEBI (Listing Obligations and Disclosure Requirements) 2015 namely Constitution of Board and its Committees, Committee meetings, Periodic Disclosures, Code of Conduct etc were adhered to by the Company.

For and on behalf of ARKS AND CO. LLP
**COMPANY SECRETARIES**

**CS Sushant Kulkarni**
Designated Partner
DIN: 06492063
FCS No: 9823
C P No.: 10197
PEER REVIEW NO.: 1235/2021
UDIN: F009823F000426613

Place: Pune
Date: May 22, 2024

# Annexure D

**Annual Report of Corporate Social Responsibility for F.Y. 2023-24**

[Pursuant to section 135 of Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014]

## 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. The Company is also engaged with a leading NGO to empower and educate various NGO's in the neighbourhood (working on women related issues), to make them self-reliant and improve their effectiveness.

## 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 |

*Ms. Anita Jalan resigned with effect from close of business hours on May 22, 2024.

Note: Mr. Parag Jalan was appointed as additional-non-executive, non-independent director of the Company and inducted in Committee as a member with effect from May 22, 2024.

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:** https://indigopaints.com/investors/corporate-governance-2/

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:** Not Applicable

5. (a) Average net profit of the Company as per section 135(5).: ₹ 117,79,83,000/-
   (b) Two per cent of average net profit of the company as per section 135(5): ₹ 2,35,60,000/-
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   (d) Amount required to be set off for the financial year, if any: ₹ 60,000/-
   (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 2,35,00,000/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 2,35,00,000/-
   (b) Amount spent in Administrative Overheads: Nil
   (c) Amount spent on Impact Assessment, if applicable: Nil
   (d) Total amount spent for the Financial Year (a+b+c): ₹ 2,35,00,000/-
   (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 2,35,00,000 | N/A | N/A | N/A | N/A | N/A |

### (f) Excess amount for set off, if any:

| Sr. No. | Particulars | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 2,35,00,000* |
| (ii) | Total amount spent for the Financial Year | 2,35,00,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | - |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | ** |

*net of excess contribution from previous years set-off in the current financial year.

**Amount available, out of previous three years, for set off in succeeding financial year: ₹ 76,702/-

### 7. Details of Unspent CSR amount for the preceding three financial years:

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any | | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Name of the Fund | Amount (in Rs). | Date of transfer. | | |
| 1 | - | Nil | - | - | - | - | - | - | - |

### 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ✓ No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sr. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| Not Applicable | | | | | | | |

### 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.: Not Applicable

**Hemant Kamala Jalan**
(Chairman and Managing Director)
DIN: 00080942

Date: May 22, 2024
Place: Pune

**Hemant Kamala Jalan**
(Chairman CSR Committee)
DIN: 00080942

Date: May 22, 2024
Place: Pune

# Annexure E

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 2023-24:

The median remuneration of employees of the Company during 2023-24 was ₹ 4,63,329/- 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 F.Y. 2023-2024 | Ratio of Remuneration of each Director to Median Remuneration of employees for F.Y. 2023-2024 |
|---|---|---|---|---|
| 1 | Mr. Ravi Nigam | Independent Director | 15,00,000 | 3.24 |
| 2 | Mr. Hemant Kamala Jalan | Chairman and Managing Director | 2,40,00,000 | 51.80 |
| 3 | Mrs. Anita Hemant Jalan | Executive Director | 15,00,000 | 3.24 |
| 4 | Mr. Narayanankutty Kottiedath Venugopal | Executive Director | 1,65,93,188 | 35.81 |
| 5 | Mr. Sunil Badriprasad Goyal | Independent Director | 15,00,000 | 3.24 |
| 6 | Ms. Sakshi Vijay Chopra | Nominee Director | Nil | Nil |
| 7 | Mr. Praveen Kumar Ramniranjan Tripathi | Independent Director | 15,00,000 | 3.24 |
| 8 | Ms. Ashwini Deshpande | Independent Director | 11,25,000 | 2.43 |

**Notes:**

1) The remuneration of Directors includes sitting fees, perquisites and commission.

2) The remuneration mentioned aforesaid is for the entire financial year 2023-24.

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 2023-2024 is provided in the table below:

| Sr. No. | Name of Director / KMP | Designation | Percentage increase in Remuneration in 2023-2024 |
|---|---|---|---|
| 1 | Mr. Ravi Nigam | Independent Director | 0% |
| 2 | Mr. Hemant Kamala Jalan | Chairman and Managing Director | 0% |
| 3 | Mrs. Anita Hemant Jalan | Executive Director | 0% |
| 4 | Mr. Narayanankutty Kottiedath Venugopal | Executive Director | 7.87% |
| 5 | Mr. Sunil Badriprasad Goyal | Independent Director | 0% |
| 6 | Ms. Sakshi Vijay Chopra | Nominee Director | NA |
| 7 | Mr. Praveen Kumar Ramniranjan Tripathi | Independent Director | 0% |
| 8 | Ms. Ashwini Deshpande | Independent Director | NA |
| 9 | Mr. Chetan Bhalchandra Humane | Chief Financial Officer | 25.42% |
| 10 | Ms. Dayeeta Shrinivas Gokhale | Company Secretary | NA |

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

In the financial year under review, there was a decrease of 0.97% in the median remuneration of employees compared to the financial year 2022-23. This decrease is primarily attributed to the influx of new employees who joined the organization during the year but have not yet completed a full year of service. Considering this, the decrease in median remuneration is understood as a temporary adjustment due to the timing of new joinings and their partial year earnings. This should normalize in the following year as new employees complete their first full year, leading to a more accurate and potentially higher median remuneration figure.

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

There were 1112 permanent employees on the rolls of the Company as on March 31, 2024.

## 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 percentile increase in salaries of employees other than Key Managerial Personnel was 16.88%. There is no exceptional 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 financial year 2023-24 and who were paid remuneration of not less than ₹ 1.02 crores per annum**

| Name of Employee | Designation | Remuneration** | Qualification | Years of Exp | Age | Last Employment |
|---|---|---|---|---|---|---|
| Hemant Jalan | Chairman and Managing Director | 2,40,00,000 | B. Tech, M.Sc and M.B.A | Over 30 | 67 | NA |
| Narayanankutty Kottiedath Venugopal | Executive Director | 1,65,93,188 | B.Sc and PGDM | Over 40 | 76 | Hi Build Coatings Private Limited |
| Thundiyil Surendra Suresh Babu | Chief Operating Officer | 1,03,88,880 | B.E. and PGDM | 25 | 53 | Hi Build Coatings Private Limited |

**List of employees of the Company employed for the part of the year and were paid monthly remuneration not less than ₹ 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 |
|---|---|---|---|---|---|---|
| Hemant Jalan | Chairman and Managing Director | 2,40,00,000 | B. Tech, M.Sc and M.B.A | Over 30 | 67 | NA |
| Narayanankutty Kottiedath Venu-gopal | Executive Director | 1,65,93,188 | B.Sc and PGDM | Over 40 | 76 | Hi Build Coat-ings Private Limited |
| Thundiyil Surendra Suresh Babu | Chief Operating Officer | 1,03,88,880 | B.E. and PGDM | 26 | 53 | Hi Build Coat-ings Private Limited |
| Vineet Bhatia | GM- Sales (North) | 65,83,138 | B. Tech and MBA | 26 | 53 | Berger Paints Limited |
| Ajay Dubey | GM- Sales (East) | 59,24,100 | B.E. and PGDM | 23 | 51 | Devyani Food Industries Ltd |
| Chetan Bhal-chandra Humane | Chief Financial Officer | 58,66,545 | B. Com and M.Com | 24 | 48 | Jenson & Nicholson (I) Limited |
| Srihari Santhakumar | GM- Finance | 53,16,333 | B. E. and MBA | 15 | 39 | SBI Capital Markets |
| Shinu Varghese | GM- Manufac-turing | 51,08,767 | B. Sc | 24 | 48 | BASF Coatings Private Limited |
| Satya Narayan Shukla | Sr. GM- Works | 48,95,150 | B.Sc | 24 | 62 | NA |
| Pavan Sharma | GM- Technical | 46,56,600 | B.E. | 24 | 47 | NA |

**Remuneration includes salary, bonus, various allowances, performance incentive and perquisites.

On behalf of the Board of Directors
**For Indigo Paints Limited**

**Hemant Kamala Jalan**
Chairman and Managing Director
DIN: 00080942

Date: July 13, 2024
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 an optimum mix of Executive and Non-Executive Directors in line with the applicable provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As on March 31, 2024, the Board of your Company comprises 3 (three) Executive Directors and 5 (Five) Non-Executive Directors, of whom 4 (four) are Independent Directors. The Chairperson is an Executive Director. The Company fulfils the requirement of the composition of the Board of Directors as per the provisions of Regulation 17 of the Listing Regulations.

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

Ms. Ashwini Deshpande, Mr. Ravi Nigam, Mr. Sunil Badriprasad Goyal and Mr. Praveen Kumar Ramniranjan Tripathi are Independent in terms of Regulation 17 of the Listing Regulations and the Act.

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

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

None of the Directors hold Directorships in more than 20 (twenty) Indian Companies including 10 (ten) Public Limited Companies. Further, none of the Directors on the Board are members of more than 10 (ten) Board Committees and Chairpersons of more than 5 (five) 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 7 (seven) listed Companies.

**TABLE 1**

**Composition of the Board of Directors as on March 31, 2024**

| Name | category of directors | Other Board/Committee Memberships | | |
|---|---|---|---|---|
| | | Directorships* | Committee Memberships*# | Committee Chairpersonship*# |
| Mr. Hemant Kamala Jalan | Promoter, Chairperson and Managing Director | 1 | 1 | 0 |
| Ms. Anita Hemant Jalan | Promoter Executive Director | 0 | 0 | 0 |
| Mr. Narayanankutty Kottiedath Venugopal | Executive Director | 0 | 0 | 0 |
| Ms. Ashwini Deshpande | Independent Director | 0 | 0 | 0 |
| Mr. Sunil Badriprasad Goyal | Independent Director | 3 | 2 | 2 |
| Mr. Praveen Kumar Ramniranjan Tripathi | Independent Director | 0 | 0 | 0 |

| Name | category of directors | Other Board/Committee Memberships | | |
|---|---|---|---|---|
| | | Directorships* | Committee Memberships*# | Committee Chairpersonship*# |
| Mr. Ravi Nigam | Independent Director | 0 | 0 | 0 |
| Ms. Sakshi Vijay Chopra | Non-Executive Nominee Director | 1 | 0 | 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 Chairpersonships.

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

## 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 | Chairman & Managing Director |
| | (ii) JSW Energy Limited | Independent Director |
| Mr. Hemant Kamala Jalan | BSL Limited | Independent 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 |
| Mr. Parag Hemant Jalan* | Mr. Hemant Kamala Jalan | Son of Mr. Hemant Jalan, Chairperson & MD |

*Mr. Parag Jalan was appointed as an additional, Non-executive & Non-independent director with effect from May 22, 2024.

## TABLE 4

**Directors' Shareholding**

| Name of the 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 | 10,000 |
| Mr. Sunil Badriprasad Goyal | Independent Director | 301 |
| Mr. Praveen Kumar Ramniranjan Tripathi | Independent Director | 301 |

### KEY BOARD SKILLS, EXPERTISE, COMPETENCE

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

**Table 5 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. |

| Skills Identified | Definition |
|---|---|
| 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. Ashwini Deshpande | Ms. Anita Hemant Jalan | Mr. Narayanankutty Kottiedath Venugopal | 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 https://indigopaints.com/investors/corporate-governance-2/

Independent Directors are Non-Executive Directors as defined under Listing Regulations read with Section 149(6) of the Act. All the Independent Directors have confirmed that they meet the criteria's as mentioned under the Listing Regulations and Section 149(6) of the Act.

They have further declared that they do not fall under any disqualifications specified under the Act.

**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 5 (five) times during the financial year 2023-24 and the gap between two Boards meetings did not exceed the period of 120 (one hundred and twenty days). The necessary quorum was present for all the meetings.

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

- May 26, 2023;
- June 29, 2023;
- August 07, 2023;
- November 03, 2023 and
- February 09, 2024

**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 year 2023-24.**

| Name | Board Meeting | | | | | Last AGM |
|---|---|---|---|---|---|---|
| | May 26, 2023 | June 29, 2023 | August 07, 2023 | November 03, 2023 | February 09, 2024 | August 07, 2023 |
| Mr. Hemant Kamala Jalan | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Ravi Nigam | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Sunil Badriprasad Goyal | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Praveen Kumar Ramniranjan Tripathi | Yes | Yes | Yes | Yes | Yes | Yes |
| Ms. Ashwini Deshpande | NA | Yes | Yes | Yes | Yes | Yes |
| Ms. Anita Hemant Jalan | Yes | Yes | Yes | No | No | Yes |
| Mr. Narayanankutty Kottiedath Venugopal | Yes | No | Yes | Yes | Yes | Yes |
| Ms. Sakshi Vijay Chopra | Yes | Yes | Yes | Yes | Yes | Yes |

### c. FAMILIARISATION PROGRAMME

The Familiarization Program for Independent Directors is uploaded on the website of the Company, and is accessible at https://indigopaints.com/investors/corporate-governance-2/

### 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 2023-24, as required by Regulation 34 of the Listing Regulations.

Mr. Hemant Kamala Jalan, as the Company's Chairperson 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 Act.

This Code is available on the Company's website https://indigopaints.com/investors/corporate-governance-2/

## 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 Chairperson 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.

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 ₹ 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 4 (four) Audit Committee Meetings held during 2023-24 as follows:

- May 26, 2023;
- August 07, 2023;
- November 03, 2023 and
- February 08, 2024.

**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 | May 26, 2023 | August 07, 2023 | November 03, 2023 | February 08, 2024 |
|---|---|---|---|---|---|
| Mr. Sunil Badriprasad Goyal | Chairperson | Yes | Yes | Yes | Yes |
| Mr. Ravi Nigam | Member | Yes | Yes | Yes | Yes |
| Mr. Praveen Kumar Ramniranjan Tripathi | Member | Yes | Yes | Yes | Yes |
| Ms. Ashwini Deshpande | Member | NA | Yes | Yes | Yes |
| Mr. Hemant Kamala Jalan | Member | Yes | Yes | Yes | Yes |
| Ms. Sakshi Vijay Chopra | Member | Yes | Yes | Yes | Yes |

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

## B. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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 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 and Sweat Equity) Regulations, 2021, 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.

  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.

  There was one (1) Meeting held during 2023-24 as follows:

- May 25, 2023.

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

**TABLE 8**

**Nomination and Remuneration Committee Meetings**

| Name | Designation | May 25, 2023 |
|---|---|---|
| Mr. Ravi Nigam | Chairperson | Yes |
| Mr. Sunil Badriprasad Goyal | Member | Yes |
| Mr. Praveen Kumar Ramniranjan Tripathi | Member | Yes |

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

## C. DIRECTORS' REMUNERATION

### A. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors (the "Board"), Key Managerial Personnel ("KMPs"), Senior Management Personnel ("SMPs") 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, KMPs, SMPs and other employees of the Company. This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Act and the rules made thereunder, each as amended and Regulation 19 read with Part D of Schedule II of the 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 https://indigopaints.com/investors/corporate-governance-2/

The Nomination and Remuneration Committee ("NRC") recommends the remuneration to be paid to the Executive Directors, Non-Executive Directors (including Independent Directors) and KMPs to the Board for its approval. The NRC also approves the remuneration to be paid to the SMPs who are not covered under the definition of KMPs. 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 Chairpersonship 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, KMPs and SMPs 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 Independent Directors ("NEDs") are paid remuneration by way of sitting fees and commission. The remuneration/ commission/ compensation to the NEDs is determined by the NRC and recommended to the Board for its approval.

Our Independent Directors were entitled to receive sitting fees of ₹ 100,000/- every Board Meeting and Commission of ₹ 2,75,000 per quarter for the Financial Year 2023-24.

The commission paid is restricted to a fixed sum 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 Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

There is no remuneration or sitting fees paid to our Non-Executive Nominee Director.

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

**TABLE 9**

**Compensation of Non-Executive Independent Directors of the Company**

(₹ in Lakhs)

| | Sitting Fees | Commission | Total |
|---|---|---|---|
| Mr. Ravi Nigam | 4.00 | 11.00 | 15.00 |
| Mr. Sunil Badriprasad Goyal | 4.00 | 11.00 | 15.00 |
| Mr. Praveen Kumar Ramniranjan Tripathi | 4.00 | 11.00 | 15.00 |
| Ms. Ashwini Deshpande | 3.00 | 8.25 | 11.25 |

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

### C. Executive 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 made under the ESOP scheme are approved by the NRC and subsequently by the Board. 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 Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

The annual remuneration package of Ms. Anita Jalan, Executive Director, Mr. Hemant Kamala Jalan, Managing Director and Mr. Narayanakutty Kottiedath Venugopal, Executive Director of the Company, comprises a fixed salary component. A service agreement exists with all the above 3 (three) Directors which contains the terms and conditions of service, including remuneration, notice period, severance compensation, etc., as approved by the NRC and the Board, from time to time.

The remuneration paid to Ms. Anita Jalan, Mr. Hemant Kamala Jalan and Mr. Narayanakutty Kottiedath Venugopal in 2023-24 was as follows:

| Sr. No | Particulars of Remuneration | Name<br>Ms. Anita Jalan | Name<br>Mr. Hemant Kamala Jalan | Name<br>Mr. Narayanakutty Kottiedath Venugopal |
|---|---|---|---|---|
| 1. | Gross Salary | ₹ 15,00,000 | ₹ 2,40,00,000 | ₹ 1,44,00,000 |
| | (a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | ₹ 21,93,188 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |

| Sr. No | Particulars of Remuneration | Name<br>Ms. Anita Jalan | Name<br>Mr. Hemant Kamala Jalan | Name<br>Mr. Narayanakutty Kottiedath Venugopal |
|---|---|---|---|---|
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| 5. | Others | - | - | - |
| 6. | Total (A) | ₹ 15,00,000/- | ₹ 2,40,00,000/- | ₹ 1,65,93,188/-* |

*Perquisites arising from Exercising of ESOPs under the Indigo Paints – Employee Stock Option Scheme, 2019 are considered in the above table.

## D. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee was constituted according to Section 178 of the Act and Regulation 20 of the Listing Regulations and its terms of reference as stipulated 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).

Ms. Dayeeta Gokhale, Company Secretary and Compliance Officer acts as the Secretary to the Stakeholders' Relationship Committee.

There was 1 (one) meeting held of Stakeholders' Relationship Committee on March 23, 2024.

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 | Sitting Fees | Total |
|---|---|---|
| Ms. Ashwini Deshpande | Chairperson | Yes |
| Mr. Hemant Kamala Jalan | Member | Yes |
| Mr. Narayanankutty Kottiedath Venugopal | Member | Yes |

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

| Sr. No | Nature of Complaint | Opening Balance | Received | Resolved | Closing Balance |
|---|---|---|---|---|---|
| 1. | On SEBI portal | 0 | 0 | 0 | 0 |
| 2. | On BSE/NSE portal | 0 | 0 | 0 | 0 |
| 3. | On NSDL/CDSL portal | 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** | **0** | **0** | **0** |

Note: During the year under review, there were 7 requests from the shareholders which inter-alia include revalidation of dividend warrants, KYC updation, registration of nomination. These requests were served and resolved in respective quarter in which requests were reported.

## E. RISK MANAGEMENT COMMITTEE:

As per Regulation 21 of the Listing Regulations and provisions of the Act, as amended which requires the Company to lay down procedures about risk assessment and risk minimization. The scope and functions of the Risk Management Committee are in accordance with the Listing Regulations and its terms of reference are set forth below.

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

a. Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

b. Framing, implementing, reviewing and monitoring the risk management plan for the Company; and

c. 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.

There were 3 (three) Meeting held during 2023-24 as follows:

- April 24, 2023;
- October 14, 2023 and
- March 23, 2024

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

**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 | April 24, 2023 | October 14, 2023 | March 23, 2024 |
|---|---|---|---|---|
| Mr. Narayanankutty Kottiedath Venugopal | Chairperson | Yes | Yes | Yes |
| Mr. Hemant Kamala Jalan | Member | Yes | Yes | Yes |
| Mr. Chetan Balchandra Humane | Member | Yes | Yes | Yes |
| Mr. Praveen Kumar Ramniranjan Tripathi | Member | Yes | Yes | Yes |

## F. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Act and its terms of reference as stipulated 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.

There were 1 (one) Meeting held during 2023-24 as follows:

- May 25, 2023

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 | May 25, 2023 |
|---|---|---|
| Mr. Hemant Kamala Jalan | Chairperson | Yes |
| Mr. Praveen Kumar Ramniranjan Tripathi | Member | Yes |
| Ms. Anita Hemant Jalan* | Member | Yes |

*Ms. Anita Jalan resigned with effect from close of business hours on May 22, 2024.

Note: Mr. Parag Jalan was appointed as additional-non-executive, non-independent director of the Company and inducted in Committee as a member with effect from May 22, 2024.

## G. INTERNAL COMPLAINTS COMMITTEE (“ICC”):

A Committee of Board of Directors was constituted as per the provisions of Section 4 of Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal Act, 2013.

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

a. To draft and amend the Sexual Harassment Policy for the organization from time to time

b. To work towards providing a safe and respectful working environment

c. Organize training and awareness programs (classroom / eLearning) at regular intervals

d. 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 two Meetings of Internal Complaints Committee held during the financial year 2023-24.

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

In terms of the amendments made to the 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 ("SEBI PIT Regulation"), the Board of Directors of your Company, have formulated a Code of Conduct 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.

The Company adopted the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in line with SEBI PIT Regulation. 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 understands the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of the following:

i. Board of Directors as a whole.

ii. Committees of the Board.

iii. Individual Directors including the Chairperson of the Board of Directors.

Your Company has carried out a performance evaluation process internally for the Board as a whole, Committees of the Board and Individual Directors including the Chairperson of the Board of Directors for the year under review.

During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on 'Guidance Note on Board Evaluation'. The key objectives of conducting the Board Evaluation process is to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly, the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in the Board/Committee Meetings and contribute to achieve the common business goals of the Company.

The Directors carry out the aforesaid performance evaluation in a confidential manner and provide their feedback on a rating scale of 1-5. Duly completed evaluation sheets are sent to the Chairperson of the Board and the Chairperson of the Nomination and Remuneration Committee for their consideration.

The outcome of performance evaluation of the Board Committee, Directors, and Board has been discussed at the meeting of Nomination and Remuneration Committee and Board of Directors. The Directors were individually briefed about their performance by the Chairperson of the Board after that it was noted that Directors, Board Committee and Board are working effectively.

Pursuant to Section 178(3) of the Act and Regulation 17(6) of the Listing Regulations, the Remuneration Committee is entrusted with responsibility of formulating criteria for determining qualifications, positive attributes and independence of an independent director. This can be viewed at https://indigopaints.com/investors/corporate-governance-2/.

## H. SENIOR MANAGEMENT:

**Particulars of senior management including the changes therein since the close of the previous financial year:**

The Company has one senior management personnel, Mr. T. S. Suresh Babu, Chief Operating Officer in addition to all Key Managerial Personnels mentioned in this Report. There was no change therein since the close of the previous financial year.

## 4. INFORMATION ON GENERAL BODY MEETINGS:

The details of the Annual General Meeting held during the last 3 (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 | 21st Annual General Meeting (FY 2020-21) | September 02, 2021 at 2.00 p.m. through video conferencing/ other audio-visual means ("VC/OAVM") facility at the registered office of the company at Indigo Tower, Street 5, Pallod Farm 2, Baner Road, Pune – 411045, Maharashtra. | Ordinary | 2 | 1. Adoption of 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.<br>2. Reappointment of Ms. Anita Hemant Jalan as a Director liable to retire by rotation. |
| | | | Special | 3 | 1. Ratification of Indigo Paints- Employee Stock Option Scheme, 2019 ("ESOS, 2019")<br>2. Approval of Fees payable for copies of inspection of documents<br>3. Approval from members for nomination of one Investor Director as required under clause 18.2 of Articles of Association of the Company. |
| 2 | 22nd Annual General Meeting (FY 2021-22) | September 02, 2022 at 11.00 a.m. through video conferencing/ other audio-visual means ("VC/OAVM") facility at the registered office of the company at Indigo Tower, Street 5, Pallod Farm 2, Baner Road, Pune – 411045, Maharashtra. | Ordinary | 4 | 1. Adoption of the Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of the Board of Directors ("the Board") and Auditors thereon.<br>2. Declaration of final dividend of ₹ 3.00/- (Rupees Three only) per equity share of the face value ₹ 10/- (Rupees Ten Only) each for the financial year ended 31st March, 2022.<br>3. Appointment of Mr. Hemant Kamala Jalan as a Director, liable to retire by rotation.<br>4. Re-appointment of Mr. Hemant Kamala Jalan as Managing Director |
| | | | Special | 2 | 1. Payment of commission to Non-Executive Independent Directors of the Company.<br>2. Amendment in Indigo Paints- Employee Stock Option Scheme, 2019 ("ESOS, 2019"). |
| 3 | 23rd Annual General Meeting (FY 2022-23) | August 07, 2023 at 11.00 a.m. through video conferencing/ other audio-visual means ("VC/OAVM") facility at the registered office of the company at Indigo Tower, Street 5, Pallod Farm 2, Baner Road, Pune – 411045, Maharashtra. | Ordinary | 3 | 1. Adoption of the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors ("the Board") and Auditors thereon.<br>2. Declaration of e final dividend of ₹ 3.50/- (Three Rupees and Fifty Paisa only) per equity share of the face value ₹ 10/- (Rupees Ten Only) each for the financial year ended March 31, 2023.<br>3. Appointment of Mr. Narayanankutty Kottiedath Venugopal as a Director, liable to retire by rotation: (DIN: 00296465) |
| | | | Special | 2 | 1. Appointment of Ms. Ashwini Deshpande (DIN: 00240443) as an Independent Director of the Company<br>2. Re-appointment of Mr. Ravi Nigam (DIN: 00024577) as Independent Director of the Company |

- *2 Special Resolutions were passed at the 23rd Annual General Meeting.*
- *2 Special Resolution were passed at the 22nd Annual General Meeting.*
- *3 Special Resolution(s) were passed at the 21st Annual General Meeting.*

## POSTAL BALLOT:

The Company has not passed any Special Resolution through postal ballot during the Financial Year 2023-24.

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

i. The Company has been undertaking dissemination of information in line with the Listing Regulations on its website at https://indigopaints.com/investors/

ii. A separate dedicated section under 'Investors' at https://indigopaints.com/investors/ gives information on applicable policies including policy on dealing with related party transactions which is at https://indigopaints.com/investors/corporate-governance-2/, along with presentations made to the institutional investors/ Analysts and events held during the year of the Company.

iii. A separate dedicated section under 'Investors' Section on the Company's website at https://indigopaints.com/investors/ gives information on policy for determining material subsidiary at https://indigopaints.com/investors/corporate-governance-2/.

iv. The quarterly, half-yearly and yearly results are disseminated 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 https://indigopaints.com/investors/meetings-announcements-2/. It also displays official press release along with presentations made to institutional investors or to the analysts.

## 7. GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| **FINANCIAL YEAR** | The financial year of the Company is from April 01, 2023 to March 31, 2024. |
| **DATE OF THE BOARD MEETING AT WHICH THE FINAL ACCOUNTS WERE APPROVED** | May 22, 2024 |
| **24TH ANNUAL GENERAL MEETING** | Date- August 10, 2024<br>Day- Saturday<br>Time- 11:30 Hrs (IST)<br>Venue- Annual General Meeting ("AGM") would be held through Video Conference/ Other Audio Visual Means:<br>[Deemed venue for meeting: Registered Office of the Company at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune, Maharashtra 411045] |
| **BOOK CLOSURE DATE** | August 03, 2024 to August 10, 2024 |
| **DIVIDEND PAYMENT DATE** | On or before September 08, 2024 |
| **LISTING ON STOCK EXCHANGES** | **BSE Limited**<br>BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street,<br>Mumbai - 400 001<br><br>**The National Stock Exchange of India Limited.**<br>Exchange Plaza, C-1, Block G, Bandra Kurla Complex,<br>Bandra (E), Mumbai - 400 051 |
| **DATE OF LISTING & STOCK CODE** | **February 02, 2021**<br>**BSE Limited.** – 543258<br>**National Stock Exchange of India Limited.** - INDIGOPNTS |
| **CORPORATE IDENTITY NUMBER (CIN)** | L24114PN2000PLC014669 |
| **ISIN** | INE09VQ01012 (NSDL & CDSL) |
| **COMPANY'S ADDRESS FOR CORRESPONDENCE** | Ms. Dayeeta Gokhale<br>Company Secretary & Compliance Office<br>Indigo Tower, Street-5, Pallod Farm-2, Baner Road,<br>Pune- 411045.<br>Telephone: +91 20 66814300<br>Email: secretarial@indigopaints.com<br>Website: www.indigopaints.com |

| | |
|---|---|
| **ADDRESS OF THE REGISTRARS & SHARE TRANSFER AGENTS** | Link Intime India Pvt Ltd<br>Block No. 202, 2nd Floor, Akshay Complex, Off,<br>Dhole Patil Rd, Near Ganesh Temple, Pune,<br>Maharashtra 411001<br>Telephone.: 020 2616 1629/ 022 – 4918 6270<br>Email.: pune@linkintime.co.in |
| **FINANCIAL CALENDAR (TENTATIVE):** | **First Quarter Results** On or before August 14, 2024<br>**Second Quarter Results** On or before November 14, 2024<br>**Third Quarter Results** On or before February 14, 2025<br>**Last Quarter Results and Annual Audited Results**<br>Within 60 days of the close of financial Year ending on March 31, 2025 i.e. on or before May 30, 2025 |
| **DIVIDEND PAYMENT:** | ₹ 3.50/- (Three Rupees Fifty Paisa) of Dividend 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 Committee and duly constituted for this purpose. |
| **DEMATERIALISATION OF SHARES** | As on March 31, 2024, 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 | 32,41,559 | 6.81 |
| Held in dematerialised form in NSDL | 4,43,79,428 | 93.19 |
| Physical | 0 | 0 |

| | |
|---|---|
| **PAYMENT OF LISTING FEES:** | The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2024-2025 within the stipulated time. |

## PLANT LOCATIONS

| Sr. No. | Name | Designation | May 25, 2023 |
|---|---|---|---|
| 1. | Rajasthan | Jodhpur Unit I | F-910, Boranada Industrial Area, Phase- IV Jodhpur – 342 012 Rajasthan. |
| | | Jodhpur Unit II | 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 Unit-I | Plot No. 4-A(3), SIPCOT Industrial Complex, S.F. 325/1 and 325/5 Vellanur Village, Kulathur Taluk, Survey No. 17-2, Patta no. 497, Panampatti Village, Illupur Taluk Pudukkottai – 622 002, Tamil Nadu, India |
| | | Pudukkottai Unit-II | |

## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

| Sr. No. | Number of Shares held | Number of Shareholders | Number of Shares held | % of Shareholding |
|---|---|---|---|---|
| 1 | Up to 500 | 145196 | 3777416 | 7.93 |
| 2 | 501-1,000 | 556 | 400716 | 0.84 |
| 3 | 1,001-2,000 | 211 | 288600 | 0.61 |
| 4 | 2,001-3,000 | 43 | 106103 | 0.22 |
| 5 | 3,001-4000 | 25 | 88174 | 0.19 |
| 6 | 4,001-5,000 | 13 | 58205 | 0.12 |
| 7 | 5,001-10,000 | 24 | 170659 | 0.36 |
| 8 | Above 10,001 | 49 | 42731114 | 89.73 |
| | **TOTAL** | **146117** | **47620987** | **100** |

## CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2024

| Sr. No. | Category | No. of Shares of ₹ 10/- each | % of Shareholding |
|---|---|---|---|
| 1 | Promoter & Promoter Group* | 2,56,86,615 | 53.94 |
| 2 | Clearing Members | 102 | 0.00 |
| 3 | Other Bodies Corporate | 1,53,488 | 0.32 |
| 4 | Directors | 10,000 | 0.02 |
| 5 | Foreign Company | 1,20,13,635 | 25.23 |
| 6 | Hindu Undivided Family | 83,386 | 0.18 |
| 7 | Mutual Funds | 3,71,212 | 0.78 |
| 8 | Non Resident Indians | 2,87,350 | 0.60 |
| 10 | Public | 47,70,024 | 10.02 |
| 11 | Insurance Companies | 3,87,938 | 0.81 |
| 12 | Foreign Portfolio Investors (Corporate) | 36,80,677 | 7.73 |
| 13 | Alternate Investment Funds - III | 1,76,560 | 0.37 |
| | **TOTAL** | **4,76,20,987** | **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*

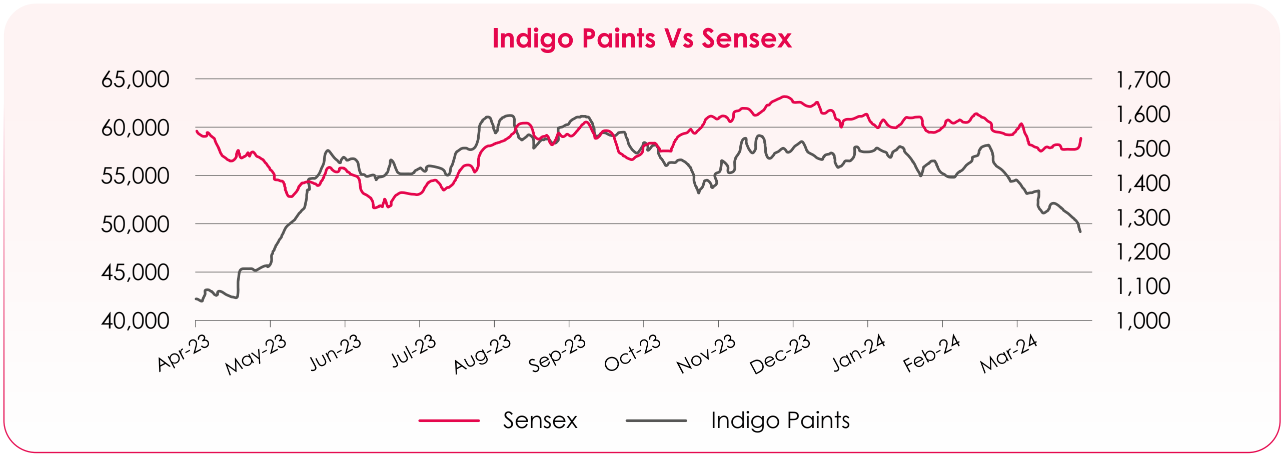
## MARKET PRICE DATA

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

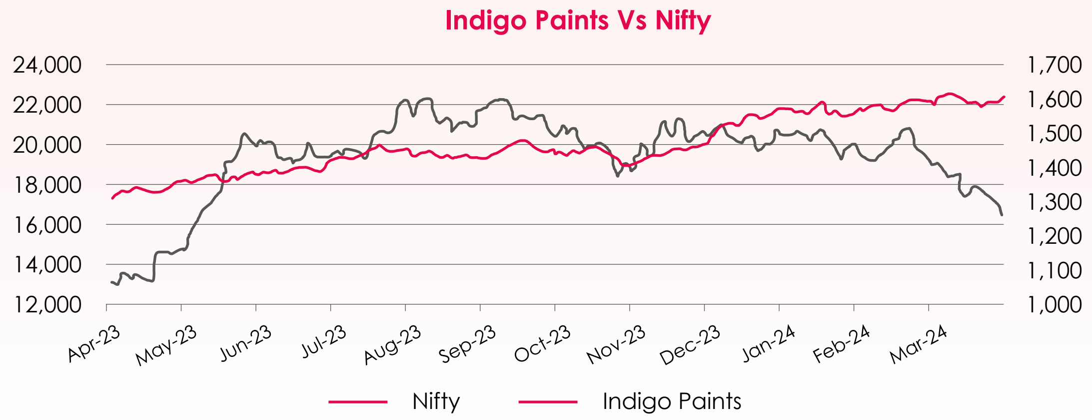
| | BSE | | National Stock Exchange of India | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April | 1,207.50 | 1,014.00 | 1,208.00 | 1,014.00 |
| May | 1,552.20 | 1,134.65 | 1,548.00 | 1,154.00 |
| June | 1,503.50 | 1,397.00 | 1,504.55 | 1,397.00 |
| July | 1,620.00 | 1,305.00 | 1,621.00 | 1,416.10 |
| Aug | 1,700.00 | 1,490.20 | 1,679.95 | 1,491.25 |
| Sep | 1,618.60 | 1,480.00 | 1,605.00 | 1,478.35 |
| Oct | 1,529.65 | 1,322.15 | 1,529.00 | 1,321.50 |
| Nov | 1,575.00 | 1,402.90 | 1,576.30 | 1,401.80 |
| Dec | 1,558.45 | 1,404.35 | 1,558.85 | 1,425.65 |
| Jan | 1,538.00 | 1,402.00 | 1,540.00 | 1,401.15 |
| Feb | 1,539.00 | 1,386.95 | 1,540.00 | 1,385.70 |
| March | 1,426.55 | 1,253.15 | 1,418.00 | 1,250.00 |

## 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, 2024

| Particulars | No. of shares | Percentage of Total Number of Shares |
|---|---|---|
| Held in dematerialised form in CDSL | 32,41,559 | 6.81 |
| Held in dematerialised form in NSDL | 4,43,79,428 | 93.19 |
| Physical | 0 | 0 |

| Description | Shares | % to Equity |
|---|---|---|
| Physical | 0 | 0 |
| NSDL | 4,43,79,428 | 93.19 |
| CDSL | 32,41,559 | 6.81 |
| **TOTAL** | **4,76,20,987** | **100** |

**OUTSTANDING GDRs/ ADRs/ WARRANTS/ CONVERTIBLE INSTRUMENTS AS ON MARCH 31, 2024:** NIL

**DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY:** NIL

**UNCLAIMED SHARES:** NA

**LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERE TO:** NA

This Corporate Governance Report of the Company for the financial year ended March 31, 2024 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.

The Certificate on Corporate Governance, issued by Mr. Sushant Kulkarni, Designated Partner of ARKS & Co. LLP, is annexed with this report as Annexure III.

## 8. OTHER DISCLOSURES:

### (A) Material Transaction with Related Parties:

All Related Party Transactions as defined under the Act, 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 https://indigopaints.com/investors/corporate-governance-2/. During the year 2023-24, 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 Act. 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 material 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: NA**

**(F) Vigil Mechanism / Whistle Blower Policy:**

Pursuant to Section 177(9) and (10) of the Act, 2013 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 Chairperson 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 https://indigopaints.com/investors/corporate-governance-2/

**(G) Compliance with Mandatory Requirements**

Post listing of shares of the Company 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 ARKs and Co. LLP, 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, 2024 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 its meeting held on July 13, 2024 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:

(₹ in lakhs)

| Type of Service | Financial Year 2023-24 | Financial Year 2022-23 |
|---|---|---|
| Audit Fees*# | 50.00 | 50.00 |
| Others | - | |
| **Total** | **50.00** | **50.00** |

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

# Excludes any Out of Pocket Expenses Incurred.

The Audit Fees paid to the auditors for the financial year ended March 31, 2024 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. Ashwini Deshpande | 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, 2024 are furnished as under:

| Name of Directors | 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 2023-24.

For and on behalf of Indigo Paints Limited

**Hemant Kamala Jalan**
Chairman and Managing Director
DIN: 00080942

Place: Pune
Date: July 13, 2024

# 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, 2024.

**Hemant Kamala Jalan**
Chairman and Managing Director
DIN: 00080942

Place: Pune
Date: July 13, 2024

# Annexure II

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indigo Paints Limited having CIN L24114PN2000PLC014669 and having registered office at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune-411045 (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 knowledge and based on:

i. Documents available on the website of the Ministry of Corporate Affairs;

ii. Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs;

iii. Disclosures provided by the Directors to the Company; and

v. Debarment list of Bombay Stock Exchange and National Stock Exchange.

We hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2024.

| Sr. No. | Name of Directors | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Hemant Kamala Jalan | 00080942 | 28/03/2000 |
| 2. | Anita Hemant Jalan | 00085411 | 28/03/2000 |
| 3. | Narayanankutty Kottiedath Venugopal | 00296465 | 24/02/2016 |
| 4. | Sunil Badriprasad Goyal | 00503570 | 13/11/2014 |
| 5. | Ravi Nigam | 00024577 | 28/03/2019 |
| 6. | Praveen Kumar Ramniranjan Tripathi | 03154381 | 13/11/2014 |
| 7. | Ashwini Deshpande | 00240443 | 26/05/2023 |
| 8. | Sakshi Vijay Chopra | 07129633 | 10/10/2018 |

Ensuring the eligibility 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 and on behalf of
**ARKS and Co. LLP**
Company Secretaries

**CS Sushant Kulkarni**
Designated Partner
DPIN: 06492063
Membership No.: F9823
C P NO.: 10197
Peer Review No.: 1235/2021
UDIN: F009823F000733744

Date: July 13, 2024
Place: Pune

# Annexure III

## CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Indigo Paints Limited, having CIN L24114PN2000PLC014669 (hereinafter referred as "The Company") for the Financial year ended March 31, 2024 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance under the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We state that no complaint relating to investor's grievance received by the Company up to March 31, 2024 is pending unresolved as on the date of this Certificate.

We further state that such compliance 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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For and on behalf of
**ARKS and Co. LLP**
Company Secretaries

**CS Sushant Kulkarni**
Designated Partner
DPIN: 06492063
Membership No.: F9823
C P NO.: 10197
Peer Review No.: 1235/2021
UDIN: F009823F000733832

Date: July 13, 2024
Place: Pune

# Annexure IV

## COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

[Pursuant to Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
**Indigo Paints Limited**
Pune

Dear Sir/Madam,

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 violate 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: May 22, 2024

# Business Responsibility and Sustainability Report

## A: General Disclosures

### A.I: Details of the listed entity

| | | |
|---|---|---|
| 1. | Corporate identity number (CIN) of the listed entity | L24114PN2000PLC014669 |
| 2. | Name of the listed entity | INDIGO PAINTS LIMITED |
| 3. | Year of incorporation | 2000 |
| 4. | Registered office address | Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune- 411045, Maharashtra |
| 5. | Corporate address | Same as Registered Office Address |
| 6. | E-mail | secretarial@indigopaints.com |
| 7. | Telephone | 020-66814300 |
| 8. | Website | www.indigopaints.com |
| 9. | Financial year for which reporting is being done | 2023 - 2024 (April 01, 2023 - March 31, 2024) |
| 10. | Name of the stock exchange(s) where shares are listed | BSE Limited (BSE)<br>National Stock Exchange of India Limited (NSE) |
| 11. | Paid-up Capital (in ₹) | 47,62,09,870 |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Chetan Bhalchandra Humane,<br>Chief Financial Officer,<br>020- 66814300,<br>secretarial@indigopaints.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis |
| 14. | Name of assurance provider | NA |
| 15. | Type of assurance obtained | NA |

### A.II: Products/services

**16. Details of business activities (accounting for 90% of the turnover):**

| S. No. | Description of main activity | Description of business activity | % of turnover of the entity |
|---|---|---|---|
| | Manufacturing | Manufacturing and supply of Paints, varnishes, enamels or lacquers | 100 |

**17. Products/services sold by the entity (accounting for 90% of the entity's turnover):**

| S. No. | Product/Service | NIC code | % of total turnover contributed |
|---|---|---|---|
| | Manufacturing of Paints, varnishes, enamels or lacquers | 202 | 100 |

### A.III: Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 5 | 53 | 58 |
| International | - | - | - |

## 19. Markets served by the entity:

**a. Number of locations:**

| Location | Number |
|---|---|
| National (No. of States) | 36 |
| International (No. of Countries) | 1 |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

0.21%

**c. A brief on types of customers:**

The Company is in the business of manufacturing, trading and selling of wide range of paints and allied products. It serves a diverse set of customers. It offers a wide range of paint and products for various applications, including decorative paints and wood finishes.

### A.IV: Employees

## 20. Details as at the end of financial year:

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | | Other | |
|---|---|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (H) | % (H/A) |
| | | EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 1055 | 1036 | 98.20 | 19 | 1.80 | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - | - | - |
| 3. | **Total employees (D+ E)** | **1055** | **1036** | **98.20** | **19** | **1.80** | **-** | **-** |
| | | WORKERS | | | | | | |
| 4. | Permanent (F) | 57 | 38 | 66.67 | 19 | 33.33 | - | - |
| 5. | Other than Permanent (G) | 778 | 684 | 87.92 | 94 | 12.08 | - | - |
| 6. | **Total workers (F + G)** | **835** | **722** | **86.47** | **113** | **15.81** | **-** | **-** |

**b. Differently abled employees and workers:**

| S. No. | Particulars | Total (A) | Male | | Female | | Other | |
|---|---|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (H) | % (H/A) |
| | | DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 1 | 1 | 100 | - | - | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - | - | - |
| 3. | **Total differently abled employees (D+ E)** | **1** | **1** | **100** | **-** | **-** | **-** | **-** |
| | | DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | - | - | - | - | - | - | - |
| 5. | Other than Permanent (G) | - | - | - | - | - | - | - |
| 6. | **Total differently- abled workers (F + G)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

## 21. Participation/inclusion/representation of women:

| Leadership team | Total (A) | Number and percentage of females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 8 | 3 | 37.50 |
| Key Management Personnel | 2 | 1 | 50 |

Notes:

- Board of Directors includes Managing Director
- Key Management Personnel includes CFO & CS

## 22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years):

| Particulars | FY 2023 - 2024 (Turnover rate in current FY) | | | | FY 2022-2023 (Turnover rate in previous FY) | | | | FY 2021-2022 (Turnover rate in the year prior to the previous FY) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Other | Total | Male | Female | Other | Total | Male | Female | Other | Total |
| Permanent Employees | 21.91% | 5.26% | - | 21.61% | 17.40% | 8.33% | - | 17.26% | 15.25% | 50.00% | - | 15.90% |
| Permanent Workers | 5.26% | 5.26% | - | 5.26% | 7.50% | - | - | 5.00% | 2.33% | - | - | 1.59% |

## A.V: Holding, Subsidiary and Associate Companies (including joint ventures)

## 23. Details of holding/subsidiary/associate companies/joint ventures.:

| S. No. | Entity name (A) | Entity type | % of shares held | Entity (A) participate in the BRSR initiatives of the parent entity? |
|---|---|---|---|---|
| 1 | Apple Chemie (India) Private Limited | Subsidiary | 51 | No |

Notes: This report is prepared on standalone basis.

## A.VI: CSR Details

## 24. CSR details of the company:

a. **Whether CSR is applicable as per section 135 of Companies Act, 2013** : Yes

b. **Turnover** : ₹ 125,486.11 Lakhs

c. **Net worth** : ₹ 91,506.78 Lakhs

A brief outline on CSR Policy and CSR activities undertaken by the Company has been detailed in Annual Report on CSR activities in the Board's Report which forms a part of this Annual Report.

## A.VII: Transparency and Disclosures Compliances

## 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place? | If Yes, then provide web-link for policy | FY 2023 - 2024 Current Financial Year | | | FY 2022-2023 Previous Financial Year | | | If NA, then provide the reason |
|---|---|---|---|---|---|---|---|---|---|
| | | | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | |
| Communities | Yes | https://indigopaints.com/investors/corporate-governance-2/ | - | - | Nil | - | - | - | |
| Investors (other than shareholders) | Yes | https://indigopaints.com/investors/corporate-governance-2/ | - | - | Nil | - | - | - | |
| Shareholders | Yes | https://indigopaints.com/investors/corporate-governance-2/ | - | - | Refer Note 6 | 4 | - | - | |
| Employees and workers | Yes | https://indigopaints.com/investors/corporate-governance-2/ | - | - | Nil | - | - | - | |
| Customers | Yes | https://indigopaints.com/investors/corporate-governance-2/ | 51 | 4 | Nil | 42 | 3 | - | |
| Value chain partners | Yes | https://indigopaints.com/investors/corporate-governance-2/ | - | - | Nil | - | - | - | |

Notes:

1. Communities- All of the factories of the Company are located in the industrial areas. The factory managers regularly coordinate with the industrial representative bodies and local government bodies to address any grievances received from the local communities.
2. Investors and Shareholders- The Company has a dedicated email id i.e. secretarial@indigopaints.com on which the investors and shareholders can raise their grievances. Additionally, shareholders can lodge complaints with respect to shares with the Registrar and Share Transfer Agent (RTA) by emailing at umesh.sharma@linkintime.co.in
3. Employees and workers- The Company has in place Internal Complaints Committee and employees and workers can approach our HR Department for registering their grievances. Additionally, employees can register their grievances as per Whistle Blower Policy of the Company.
4. Customers- The Company has a dedicated email id and customer care phone number i.e. info@indigopaints.com and +91 2931281162 on which the customers can raise their grievances.
5. Value Chain Partners- The Company has a Supplier Code of Conduct in place to address the grievances raised by value chain partners.
6. During the year under review, there were 7 requests from the shareholders which inter-alia include revalidation of dividend warrants, KYC updation, registration of nomination. These requests were served and resolved in respective quarter in which requests were reported.

**26. Overview of the entity's material responsible business conduct issues. (Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.):**

| S. No. | Material issue identified | Indicate whether risk (R) or opportunity (O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity |
|---|---|---|---|---|---|
| 1 | Resource Use - Water Management | R | Water is a primary raw material in the manufacturing of water based paints | Since the availability of water is restricted, the Company endeavors to use water judiciously. The Company has taken steps to install rain water harvesting facility at all of its factories. Also to recharge the ground water, the Company at one of its factory premises has created water recharging pond. | Negative Implications |
| 2 | Resource Use- Energy Consumption | R and O | Energy (Electricity) is a key input in the manufacturing process to run the factories | Excess usage of electricity generated through fossil fuels impacts the environment negatively. The Company is actively implementing and exploring usage of energy generated from renewable resources including solar and wind. In our endeavor to minimize the usage of energy, the Company has already initiated the usage/replacement to energy efficient machinery | Negative and Positive Implications |
| 3 | People and Community | O | Employees and Community are the most important stakeholders. | The Company ensures safe and healthy work atmosphere by providing appropriate trainings and safety equipment. The Company also implements equal opportunity policy and prevention of child labor in all its offices and factories | Positive Implications |
| 4 | Governance | O | The Company ensures highest level of corporate governance and compliances with the statutory authorities | - | Positive Implications |
| 5 | Cyber Security | R | All our stakeholder engagements, including billing and purchasing, are managed through ERP systems. This could pose some digital risks, including potential cybersecurity threats. | Ensuring data security is a top priority for our company, as it is crucial for any business. To mitigate risks arising from cyber threats, we take daily backups of our cloud storage data. Additionally, we have implemented disaster recovery and business continuity plans to safeguard our operations. | Negative Implications |

# B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

**P1** Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable

**P2** Businesses should provide goods and services in a manner that is sustainable and safe

**P3** Businesses should respect and promote the well-being of all employees, including those in their value chains

**P4** Businesses should respect the interests of and be responsive towards all its stakeholders P5 Businesses should respect and promote human rights

**P6** Businesses should respect, protect, and make efforts to restore the environment

**P7** Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**P8** Businesses should promote inclusive growth and equitable development

**P9** Businesses should engage with and provide value to their consumers in a responsible manner

### B.1: Policy and management processes

| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes:** | | | | | | | | | | |
| 1. | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. | Yes | | | | | | | | |
| | b. Has the policy been approved by the Board? | Yes | | | | | | | | |
| | c. Web Link of the Policies, if available | https://indigopaints.com/investors/corporate-governance-2/ | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures. | Yes | | | | | | | | |
| 3. | Do the enlisted policies extend to your value chain partners? | Yes | | | | | | | | |
| 4. | Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | All policies conform to the applicable laws of the country, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and National Guidance on Responsible Business Conduct. | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | Please refer to the Commitment to Sustainability Section forming a part of the Annual Report on Page 025 | | | | | | | | |
| 6. | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | | | | | | | | | |
| **Governance, leadership and oversight:** | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements: | Mr. Hemant Kamala Jalan, Chairperson and Managing Director of the Company is the director responsible for the business responsibility report. For the statement, refer to the Chairperson's Message on Page 006 | | | | | | | | |
| 8. | Details of the highest authority responsible for implementation and oversight of the business responsibility policy(ies).: | Name- Mr. Chetan Bhalchandra Humane Designation- Chief Financial Officer | | | | | | | | |
| 9. | Details about the entity's committee of the board/director responsible for decision making on sustainability related issues?: | | | | | | | | | |
| | a. Does the entity have a specified committee of the board/director responsible for decision making on sustainability related issues? | : Yes | | | | | | | | |
| | b. If yes, provide details: | Mr. Hemant Kamala Jalan, Chairperson and Managing Director oversees and periodically review Business Responsibility and Sustainability Initiatives of the Company. We also have a ESG committee in place headed by the Managing Director | | | | | | | | |

## B.2: Governance, leadership and oversight

### 10. Details of review of NGRBCs by the company:

**a. Details about reviewing authority:**

| Subject for Review | Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Director | | | | | | | | |
| Description of any other committee | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | Director | | | | | | | | |
| Description of any other committee | | | | | | | | | |

**b. Details about frequency:**

| Subject for Review | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Any other | | | | | | | | |
| Description of any other frequency | Ongoing | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | Any other | | | | | | | | |
| Description of any other frequency | Ongoing | | | | | | | | |

### 11. Information about the independent assessment /evaluation of the working of its policies carried out by the entity by an external agency.:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? | No | | | | | | | | |
| If yes, provide name of the agency | | | | | | | | | |

## B.3: Details of Review

### 12. If answer to Q1 of section B.1 - Policy and management processes is "No" i.e. not all principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task | | | | | | | | | |
| It is planned to be done in the next financial year | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

# C: Principle Wise Performance Disclosures

## C.1: Principle 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential indicators

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 5 | Industry Overview, Business Strategy, Corporate Governance and ESG | 100 |
| Key Managerial Personnel | 3 | Industry Overview, Market Research, Business Strategy, Corporate Governance and ESG | 100 |
| Employees other than BoD and KMPs | 15 | Employee Well-Being (Health and Finance), Product and Systems Training | 61 |
| Workers | 15 | Health and Safety | 100 |

**2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

**a. Monetary:**

| Penalties and Fees | NGRBC Principle | Name of the regulatory/ enforce ment agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? |
|---|---|---|---|---|---|
| Penalty/Fine | - | - | - | - | No |
| Settlement | - | - | - | - | No |
| Compounding fee | - | - | - | - | No |

**b. Non-monetary:**

| Legal sanctions | NGRBC principle | Name of the regulatory enforcement agencies/ judicial institutions | Brief of the case | Has an appeal been preferred? |
|---|---|---|---|---|
| Imprisonment | - | - | - | No |
| Punishment | - | - | - | No |

Materiality threshold as specified in Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been applied for the purpose of this disclosure.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non- monetary action has been appealed.:** Not Applicable

**4. Details about anti-corruption or anti-bribery policy.:**

*a. Does the entity have an anti-corruption or anti-bribery policy?*

: Yes

*b. If yes, provide details in brief.:*

The Company has the policy and is available on https://indigopaints.com/investors/corporate-governance-2

*c. If available, provide a web-link to the policy.:*

https://indigopaints.com/investors/corporate-governance-2

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| Organizational roles | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| Directors | - | - |
| KMPs | - | - |
| Employees | - | - |
| Workers | - | - |

**6. Details of complaints with regard to conflict of interest:**

| Complaints type | FY 2023 - 2024 (Current Financial Year) | | FY 2022-2023 (Previous Financial Year) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | - | - | - | - |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | - | - | - | - |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.:**

Not Applicable

**8. Number of days of accounts payables [(accounts payable*365)/Cost of goods or services procured)] in the following format:**

| Question | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| Number of days of accounts payables | 121 | 102 |

**9. Open-ness of business:** Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | 27.29% | 25.58% |
| | b. Number of trading houses where purchases are made from | 104 | 97 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 70.11% | 61.69% |

| Parameter | Metrics | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | 100% | 100% |
| | b. Number of dealers / distributors to whom sales are made | 21042 | 19028 |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | 3.41% | 3.41% |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 0.03% | - |
| | b. Sales (Sales to related parties / Total Sales) | - | - |
| Employees | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | -* | - |
| Workers | d. Investments ( Investments in related parties / Total Investments made) | - | - |

* Note: Corporate Guarantee of ₹ 1800 Lakhs was provided to related party during FY 2023-24.

## Leadership indicators

1. **Details about the processes in place to avoid/ manage conflict of interests involving members of the Board.:**

   a. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?**

   : Yes

   b. **If yes, provide details of the same.:**

   Yes, the company has implemented a Code of Ethics that applies to the Board of Directors, Key Managerial Personnel, and other members of Senior Management. This code provides clear guidelines for identifying, avoiding, and disclosing any actual or potential conflicts of interest that may arise with the company. To ensure transparency and compliance, the company obtains an annual declaration from the aforementioned individuals regarding their interests in other entities that could give rise to conflicts of interest. This allows the company to assess and address any potential conflicts in a timely manner. Furthermore, the company ensures that all necessary approvals required by applicable laws are obtained before engaging in transactions with any related entities. This proactive approach helps demonstrate the company's commitment to upholding legal and regulatory requirements while safeguarding the interests of its stakeholders

## C.2: Principle 2

**Businesses should provide goods and services in a manner that is sustainable and safe**

### Essential indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.:**

| Expenditure type | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | - | - | NA |
| Capex | - | - | NA |

**2. Details about sustainable sourcing:**

*a. Does the entity have procedures in place for sustainable sourcing?*

: Yes

*b. If yes, what percentage of inputs were sourced sustainably?*

: NA

We have started using the recycled plastic cans in our operations. However, we have not maintained the percentage data this year.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for the following waste categories.:**

| Product type | Process description |
|---|---|
| a. Plastics (including packaging | As part Extended Producer's Responsibility (EPR), the Company has partnered with third party organizations for fulfillment of EPR Targets |
| b. E-waste | Sent to Authorised Recyclers |
| c. Hazardous waste | Sent to Authorised Recyclers |
| d. Other waste | Sent to Authorised Recyclers and some processed wastes are reused/recycled internally by the Company |

**4. Details about Extended Producer Responsibility (EPR):**

| Questions | Response |
|---|---|
| Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. | Yes |
| If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? | Yes |
| If not, provide steps taken to address the same. | |

## C.3: Principle 3

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

### Essential indicators

**1. Details regarding well-being of employees and workers:**

*a. Details of measures for the well-being of employees:*

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1036 | 1036 | 100 | 1036 | 100 | - | - | - | - | - | - |
| Female | 19 | 19 | 100 | 19 | 100 | 19 | 100 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **1055** | **1055** | **100** | **1055** | **100** | **19** | **100** | **-** | **-** | **-** | **-** |
| **Other than permanent employees** | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

*b. Details of measures for the well-being of workers:*

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 38 | 38 | 100 | 38 | 100 | - | - | - | - | - | - |
| Female | 19 | 19 | 100 | 19 | 100 | 19 | 100 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **57** | **57** | **100** | **57** | **100** | **19** | **100** | **-** | **-** | **-** | **-** |
| **Other than permanent workers** | | | | | | | | | | | |
| Male | 684 | - | - | - | - | - | - | - | - | - | - |
| Female | 94 | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **778** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

*c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:*

| Question | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| Cost incurred on well being measures as a % of total revenue of the company | 0.05% | 0.04% |

**2. Details of retirement benefits, for the current and previous financial year.:**

| Benefits | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees* | No. of workers covered as a % of total workers | Deducted and deposited with the authority | No. of employees covered as a % of total employees* | No. of workers covered as a % of total workers | Deducted and deposited with the authority |
| PF | 100 | 100 | Yes | 100 | 100 | Yes |
| Gratuity | 100 | 100 | Yes | 100 | 100 | Yes |
| ESI | 100 | 100 | Yes | 100 | 100 | Yes |

*Eligible as per statute

**3. Accessibility of workplaces:**

| Questions | Response |
|---|---|
| Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? | Yes |
| If not, whether any steps are being taken by the entity in this regard. | - |

**4. Details about equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.:**

| Questions | Response |
|---|---|
| Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? | Yes |
| If so, provide a web-link to the policy. | https://indigopaints.com/investors/corporate-governance-2 |

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.:**

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | - | - | - | - |
| Female | - | - | - | - |
| Other | - | - | - | - |
| Total | - | - | - | - |

**6.** *a. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?*

: Yes

*b. If yes, give details of the mechanism in brief.:*

| Category | Yes/ No | If Yes, then give details of the mechanism in brief |
|---|---|---|
| Permanent workers | Yes | The Company has implemented a Whistleblower Mechanism to facilitate the resolution of grievances and promote the reporting of unethical behavior, incidents, fraud, or violations. To enable direct communication with the Audit Committee Chairman or Members of the Audit Committee, a dedicated email ID has been created for employees to use.<br>Additionally, the Company adopts an open-door policy, allowing employees and workers to express their concerns to their immediate superiors or the Human Resource Department. This approach emphasizes the importance of effective communicationand ensures that employees have multiple channels through which they can report any issues or grievances.<br>Through these initiatives, the Companyactively encourages transparency, accountability, and the prompt resolution of misconduct. By fostering an environment that values integrity, employees are empowered to come forward with their concerns, knowing that they will be addressed without fear of reprisal. |
| Other than permanent workers | Yes | |
| Permanent employees | Yes | |
| Other than permanent employees | Yes | |

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Benefits | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total employees/ worke rs in respective category (A) | No. of employees/ worke rs in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees/ worke rs in respective category (C) | No. of employees/ worke rs in respective category, who are part of association(s) or Union (D) | % (D/C) |
| Total permanent employees | 1055 | - | - | 788 | - | - |
| Male | 1036 | - | - | 776 | - | - |
| Female | 19 | - | - | 12 | - | - |
| Other | - | - | - | - | - | - |
| Total permanent workers | 57 | 32 | 56.14 | 60 | 34 | 56.66 |
| Male | 38 | 25 | 65.79 | 40 | 26 | 65.00 |
| Female | 19 | 7 | 36.84 | 20 | 8 | 40.00 |
| Other | - | - | - | - | - | - |

8. **Details of training given to employees and workers:**

| Benefits | FY 2023 - 2024 (Current Financial Year) | | | | | FY 2022-2023 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 1036 | 998 | 96.33 | 719 | 69.40 | 776 | 609 | 78.47 | 543 | 69.97 |
| Female | 19 | 18 | 94.74 | 10 | 52.63 | 12 | 12 | 100.00 | 12 | 100.00 |
| Other | - | - | - | - | - | - | - | - | - | - |
| **Total** | **1055** | **1016** | **96.30** | **729** | **69.10** | **788** | **621** | **78.81** | **555** | **70.43** |
| **Workers** | | | | | | | | | | |
| Male | 38 | 34 | 89.47 | 18 | 47.37 | 563 | 563 | 100.00 | 451 | 80.10 |
| Female | 19 | 19 | 100 | 10 | 52.63 | 102 | 102 | 100.00 | 92 | 90.19 |
| Other | - | - | - | - | - | - | - | - | - | - |
| **Total** | **57** | **53** | **92.98** | **28** | **49.12** | **665** | **665** | **100** | **543** | **81.65** |

9. **Details of performance and career development reviews of employees and worker:**

| Benefits | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | Number (B) | % (B/A) | Total (C) | Number (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 1036 | 1036 | 100 | 776 | 776 | 100 |
| Female | 19 | 19 | 100 | 12 | 12 | 100 |
| Other | - | - | - | - | - | - |
| **Total** | **1055** | **1055** | **100** | **788** | **788** | **100** |
| **Workers** | | | | | | |
| Male | 38 | 38 | 100 | 563 | 563 | 100 |
| Female | 19 | 19 | 100 | 102 | 102 | 100 |
| Other | - | - | - | - | - | - |
| **Total** | **57** | **57** | **100** | **665** | **665** | **100** |

10. **Health and safety management system:**

| Questions | Response |
|---|---|
| a. Whether an occupational health and safety management system has been implemented by the entity? | Yes |
| If yes, the coverage such system? | The Company places a strong emphasis on the health and safety of its employees and workers, making it a top priority. To achieve this, the Company has established comprehensive Occupational Health and Safety management systems. These management systems are designed to ensure the well-being of individuals within the organization by providing a structured framework for identifying, assessing, and managing occupational health and safety risks. They encompass a range of policies, procedures, and protocols that address various aspects of workplace safety. |
| b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? | The Company has established various procedures to assess risks on both routine and non-routine bases. Job Safety Analysis involves systematically evaluating job tasks and identifying potential hazards associated with them. By analyzing each step of a job, the Company can proactively mitigate risks and implement necessary safety measures |
| c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. | Yes |
| d. Do the employees/ worker of the entity have access to non- occupational medical and healthcare services? | Yes |

**11. Details of safety related incidents, in the following format:**

| Safety incident/number | Category* | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| Lost time injury frequency rate (LTIFR) (per one million- person hours worked) | Employees | - | 0.99 |
| | Workers | 1.07 | 2.64 |
| Total recordable work-related injuries | Employees | - | 2 |
| | Workers | 2 | 4 |
| No. of fatalities | Employees | - | - |
| | Workers | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | - | - |
| | Workers | - | - |

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.:**

Creating a safe and healthy workplace has been a primary focus for our paints manufacturing Company. We recognize the significance of ensuring safety, particularly within our manufacturing plant. To achieve this, we have implemented various measures to address physical health and safety requirements, adhere to statutory regulations, and promote a strong safety culture. Some of the measures we have taken are as below:

**Establishing and Implementing Safety Policies:** The Company has developed and communicated clear safety policies that outline expectations, rules, and procedures for maintaining a safe work environment. These policies broadly cover areas such as hazard identification, reporting mechanisms, emergency response protocols, and safety training requirements.

**Conducting Risk Assessments:** The Company regularly assess workplace hazards and risks to identify potential sources of harm or danger. This involves conducting thorough inspections, engaging employees in hazard identification, andutilizing risk assessment techniques. The findings are used to implement appropriate controls and mitigation measures.

**Providing Safety Training and Education:** The Company ensures that all employees receive proper safety training and education relevant to their roles and the specific hazards they may encounter. This includes training on safe work practices, proper equipment usage, emergency procedures, and any specific regulations or standards applicable to the industry.

**Maintaining Proper Safety Equipment and Facilities:** The Company maintains appropriate safety equipment, tools, and personal protective equipment (PPE) necessary for employees to perform their work safely. It also ensures that safety equipment is regularly inspected, maintained, and replaced when necessary. Additionally, the company strives to keep the workplace clean, organized, and free from potential hazards.

**13. Number of complaints on the following made by employees and workers:**

| Category | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working conditions | - | - | - | - | - | - |
| Health and safety | - | - | - | - | - | - |

**14. Assessments for the year:**

| Category | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100 |
| Working conditions | 100 |

**15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.:**

In order to address safety-related incidents, a thorough root cause analysis is conducted by a dedicated team. This analysis is closely monitored and reviewed by the central quality and safety team. Based on the identified root causes, appropriate corrective measures are implemented, such as eliminating man-machine interaction or improving inadequate guarding. To ensure that these corrective actions are effectively implemented across all manufacturing locations, a horizontal deployment approach is adopted. This means that the corrective measures and their implementation guidelines are shared horizontally with all manufacturing locations. This allows for a comprehensive assessment of the proposed actions and facilitates their implementation in a consistent manner throughout the organization. By employing this approach, the company aims to ensure that the identified safety issues are addressed effectively, promoting a safer working environment across all manufacturing locations

## Leadership indicators

**1. Does the entity extend any life insurance or any compensatory package in the event of death of:**

| Category | Response |
|---|---|
| Employees | Yes |
| Workers | Yes |

The management of the Company places a high priority on the well-being of its employees. In the event of an unfortunate death of an employee or worker, the Company is committed to supporting the next of kin and the family. This support includes assisting them in claiming their legally entitled dues and benefits, as per the Company's policy that is periodically reviewed and updated. The Company recognizes the significance of addressing the financial entitlements of the bereaved family during this difficult period and aims to provide the necessary assistance and support they require.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.:**

The Company is firmly committed to complying with applicable legislations and rules. It actively communicates and provides necessary information to its value chain partners to facilitate the deduction of statutory dues. Additionally, the Company diligently undertakes efforts to ensure that all transactions adhere to the requisite regulations by deducting and depositing the applicable statutory dues as mandated. By implementing these measures, the Company upholds its responsibility to meet legal obligations and maintain strict compliance with the applicable regulatory framework.

C.4:
Principle 4

**Businesses should respect the interests of and be responsive to all its stakeholders.**

## Essential indicators

**1. Describe the processes for identifying key stakeholder groups of the entity.:**

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 and Dealers
- Shareholders
- 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.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.:**

| Stakeholder group | Whether identified as vulnerable & marginalized group | Channels of communication | Details of other channels of communication | Frequency of engagement | Details of other frequency of engagement | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|---|---|
| Employees | No | E-mail | | Others - please specify | Monthly | • Competitive rewards and remuneration,<br>• Health and safety,<br>• Performance evaluation and recognition |
| Local Communities | Yes | Community Meetings | | Others - please specify | Ongoing | • Community development programmes through CSR initiatives |
| Regulatory Authorities | No | E-mail | | Others - please specify | Ongoing | • Compliance with rules and regulations<br>• Timely reporting through various compliance- based forms |
| Customers | No | Other | We communicate with them through SMS, Emails and through phone. We engage with the influencers like painters and contractors through Decor Application available in Google Playstore. | Others - please specify | Need-Based | • New and innovative products as per latest market requirements<br>• Easy access to products and services |
| Shareholders | No | Other | We engage with shareholders through quarterly conference calls, one on one investor meets, investor conferences arranged by investment and brokerage firms. | Quarterly | | • Corporate Governance<br>• Regulatory Compliances<br>• Overall Company Performance |
| Dealers, Suppliers and other Business partners | No | E-mail | | Others - please specify | Need-Based | • Pricing and favourable terms of payment<br>• Timely clearance |

## Leadership indicators

1. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.:**

   Community, that the Company is a part of is an important stakeholder to the Business. The Company, having worked with the community understands their specific requirements and develop CSR programmes that can meet specific requirements of the community it serves. This is then implemented post identification of the needs, the Company embarks upon multiple, structured and well planned CSR projects. The CSR projects of the Company aims to focus on a social transformation in the life of our disadvantaged, vulnerable and marginalised stakeholders. The Company ensures that the CSR Funds are utilised in an optimum manner that uplifts the weaker sections of the society. The Company has undertaken various CSR initiatives on medical health and support, education support and women empowerment amongst the others.

## C.5: Principle 5

**Businesses should respect and promote human right**

### Essential indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| | | **Employees** | | | | |
| Permanent | 1055 | 1019 | 96.59 | 788 | 712 | 90.36 |
| Other than permanent | - | - | - | - | - | - |
| **Total employees** | **1055** | **1055** | **100** | **788** | **712** | **90.36** |
| | | **Workers** | | | | |
| Permanent | 57 | 57 | 100 | 60 | 56 | 93.33 |
| Other than permanent | 778 | | | 605 | 584 | 96.53 |
| **Total workers** | **835** | **835** | **100** | **665** | **640** | **96.24** |

Note: Training on human rights and other policies is integrated into the Code of Conduct and various awareness programs. The Company has established the Code of Conduct as a key part of employee training.

Numerous discussions are held with all employees and workers to promote awareness about human rights and the Company's Code of Conduct. Besides HR-led sessions, functional team leads are responsible for educating all employees and workers, including new hires, about the Code of Conduct. These sessions are currently not tracked. Additionally, the Code of Conduct is available on the Company's website and intranet portal for reference. Employees are expected to read, understand, and uphold the Code in their daily activities, ensuring compliance with all applicable laws, rules, regulations, and Company policies and procedures.

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2023 - 2024 (Current Financial Year) | | | | | FY 2022-2023 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| | | | | **Employees** | | | | | | |
| Permanent | 1055 | - | - | 1055 | 100 | 788 | - | - | 788 | 100 |
| Male | 1036 | - | - | 1036 | 100 | 776 | - | - | 776 | 100 |
| Female | 19 | - | - | 19 | 100 | 12 | - | - | 12 | 100 |
| Other | - | - | - | - | - | - | - | - | - | - |

| Category | FY 2023 - 2024 (Current Financial Year) | | | | | FY 2022-2023 (Previous Financial Year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Other than permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| **Workers** | | | | | | | | | | |
| Permanent | 57 | - | - | 57 | 100 | 60 | - | - | 60 | 100 |
| Male | 38 | - | - | 38 | 100 | 40 | - | - | 40 | 100 |
| Female | 19 | - | - | 19 | 100 | 20 | - | - | 20 | 100 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Other than permanent | 778 | - | - | 778 | 100 | 605 | - | - | 605 | 100 |
| Male | 684 | - | - | 684 | 100 | 523 | - | - | 523 | 100 |
| Female | 94 | - | - | 94 | 100 | 82 | - | - | 82 | 100 |
| Other | - | - | - | - | - | - | - | - | - | - |

3. **Details of remuneration/salary/wages:**

*a. Median remuneration/wages:*

| Category | Male | | Female | | Other | |
|---|---|---|---|---|---|---|
| | Number | Median remuneration/ salary/wages of respective category | Number | Median remuneration/ salary/wages of respective category | Number | Median remuneration/ salary/wages of respective category |
| Board of Directors (BoD) | 5 | 15,00,000 | 3 | 11,25,000 | - | - |
| Key Managerial Personnel | 1 | 58,66,545 | 1 | 8,01,166 | - | - |
| Employees other than BoD and KMP | 1033 | 4,91,636 | 17 | 4,07,550 | - | - |
| Workers | 38 | 2,97,539 | 19 | 3,19,168 | - | - |

*b. Gross wages paid to females as % of total wages paid by the entity, in the following format:*

| Question | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| Gross wages paid to females as % of total wages | 2.42% | 2.19% |

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

: Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.:**

The responsibility of recording and addressing human rights issues lies with the Human Resource team. However, the Company proactively focuses on prevention by providing training to employees on understanding human rights, recognizing its various forms, and the appropriate reporting procedures.

6. **Number of complaints on the following made by employees and workers:**

| Benefits | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual harassment | - | - | NA | - | - | NA |
| Discrimination at workplace | - | - | NA | - | - | NA |
| Child labour | - | - | NA | - | - | NA |
| Forced labour/involuntary labour | - | - | NA | - | - | NA |
| Wages | - | - | NA | - | - | NA |
| Other human rights related issues | - | - | NA | - | - | NA |

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| Category | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | - | - |
| Complaints on POSH as a % of female employees / workers | - | - |
| Complaints on POSH upheld | - | - |

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.:**

The Company maintains a culture of open communication that fosters a respectful and harassment-free environment. The Whistleblower Policy serves as a guideline and mechanism for protecting individuals who raise complaints or act as whistleblowers. Any complaints or disclosures made by whistleblowers are thoroughly investigated, ensuring strict confidentiality and protection against retaliation.

The Company takes all necessary precautions to safeguard the identity of the complainant or whistleblower. This includes treating the investigation process with utmost confidentiality and implementing measures to withhold their identity. The Company provides necessary safeguards to whistleblowers, allowing them to make protected disclosures in good faith regarding various areas outlined in the Code of Conduct. In relation to sexual harassment, the Company strictly adheres to the principles of Prohibition, Prevention, and Redressal, as outlined in the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (POSH) and the corresponding Rules. The Company ensures that the investigation procedure maintains strict confidentiality and safeguards the identity of the complainant. The Company has established a POSH committee in compliance with the provisions of the Act

9. **Do human rights requirements form part of your business agreements and contracts?**
: Yes

10. **Assessments for the year:**

| Category | % of your plants and offices that were assessed (by entity or statutory authorities orthird parties) |
|---|---|
| Child labour | 100 |
| Forced/involuntary labour | 100 |
| Sexual harassment | 100 |
| Discrimination at workplace | 100 |
| Wages | 100 |

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.:**

    Not Applicable

## Leadership indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.:**

   No complaints have been received during the Financial Year under review. Accordingly, no business processes have been modified or introduced for addressing human rights grievances/complaints.

2. **Details of the scope and coverage of any human rights due-diligence conducted.:**

   The Company has established strong practices to actively discourage not just human rights but also other kinds of behavior that may be in contravention to the Company's Ethics policy and Code of Conduct.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, the Company strongly believes in the idea of providing equal opportunities to all its employees' and in lines with the same the Company is committed to make its premises accessible for differently abled employees & workers.

## C.6: Principle 6

**Businesses should respect and make efforts to protect and restore the environment**

### Essential indicators

1. **Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:**

| Parameter | Unit | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| **From renewable sources** | | | |
| Total electricity consumption (A) | GJ | - | - |
| Total fuel consumption (B) | GJ | - | - |
| Energy consumption through other sources (C) | GJ | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | GJ | - | - |
| **From non-renewable sources** | | | |
| Total electricity consumption (D) | GJ | 23201 | 17794 |
| Total fuel consumption (E) | GJ | 396 | 535 |
| Energy consumption through other sources (F) | GJ | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | GJ | **23597** | **18329** |
| **Total energy consumed (A+B+C+D+E+F)** | GJ | **23597** | **18329** |
| Energy intensity per rupee of turnover (Total energy consumed/revenue from operations) | GJ/crore ₹ turnover | 18.8 | 17.08 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ revenue from operations adjusted for PPP) | | Since we are not exporting any significant amount of product, PPP adjustment is not applicable. | |
| Energy intensity in terms of physical output | GJ/kilolitre of FG | 0.114 | 0.118 |
| Energy intensity (optional) – the relevant metric may be selected by the entity | | | |

| Parameter | Unit | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | | Yes | Yes |
| If yes, name of the external agency. | | Independent assessment was carried out by Sprih | Independent assessment was carried out by Sprih |

2. **Details about Performance, Achieve and Trade (PAT) Scheme of the Government of India:**

| Questions | Response |
|---|---|
| Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? | No |
| If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. | NA |

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | Unit | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| **Water withdrawal by source** | | | |
| (i) Surface water | kilolitres | - | - |
| (ii) Groundwater | kilolitres | 4081 | - |
| (iii) Third party water | kilolitres | 74343 | 55919 |
| (iv) Seawater/desalinated water | kilolitres | - | - |
| (v) Others | kilolitres | - | - |
| **Total volume of water withdrawal (i + ii + iii + iv + v)** | kilolitres | **78424** | **55919** |
| **Total volume of water consumption** | kilolitres | **78424** | **55919** |
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | kilolitres/ crore ₹ turnover | 62.49 | 52.1 |
| Water intensity per rupee of turnover adjusted for purchasing power parity (Total water consumption / Revenue from operations adjusted for PPP) | | Since we are not exporting any significant amount of product, PPP adjustment is not applicable. | |
| Water intensity in terms of physical output (Total water consumption / physical unit) | kilolitres/kilolitre of FG | 0.38 | 0.36 |
| Water intensity (optional) – the relevant metric may be selected by the entity | | | |
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | | Yes | Yes |
| If yes, name of the external agency. | | Independent assessment was carried out by Sprih | Independent assessment was carried out by Sprih |

**4. Provide the following details related to water discharged:**

| Parameter | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| (iii) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | - | - |
| Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? | No | No |
| If yes, name of the external agency. | NA | NA |

**5. Details about zero liquid discharge (ZLD):**

| Questions | Response |
|---|---|
| Has the entity implemented a mechanism for zero liquid discharge (ZLD)? | Yes |
| If yes, provide details of its coverage and implementation. | All the facilities of the Company are Zero Liquid Discharge facilities. The effluents are treated through dedicated effluent treatment plants installed within the facility premises. The treated effluents/ water are reused in the facility itself |

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| NOx | Micro Gram | - | 17.15 |
| SOx | Micro Gram | - | 16.10 |
| Particulate matter (PM) | Micro Gram | - | 78.50 |
| Persistent organic pollutants (POP) | Micro Gram | - | - |
| Volatile organic compounds (VOC) | Micro Gram | - | - |
| Hazardous air pollutants (HAP) | Micro Gram | - | - |
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | | No | Yes |
| If yes, name of the external agency. | | - | Independent assessment was carried out by Sprih |

Notes: This year, air emissions (other than GHG emissions) were not measured. We will be measuring it from the subsequent years.

**7. Provide details of greenhouse gas emissions (scope 1 and scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| Total scope 1 emissions (Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | $tCO_2e$ | 29.45 | 38.13 |
| Total scope 2 emissions(Break-up of the GHG into $CO_2$, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | $tCO_2e$ | 4620.00 | 4522.55 |
| Total scope 1 and scope 2 emission intensity per rupee of turnover (Total scope 1 and scope 2 GHG emissions / Revenue from operations) | $tCO_2e$/crore ₹ turnover | 3.71 | 4.25 |
| Total scope 1 and scope 2 emission intensity per rupee of turnover adjusted for purchasing power parity (PPP)(Total scope 1 and scope 2 GHG emissions/Revenue from operations adjusted for PPP) | | Since we are not exporting a significant amount of product, PPP adjustment is not applicable. | |
| Total scope 1 and scope 2 emission intensity in terms of physical output | $tCO_2e$/kilolitre of FG | 0.022 | 0.029 |
| Total scope 1 and scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | | |
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | | Yes | Yes |
| If yes, name of the external agency. | | Independent assessment was carried out by Sprih | Independent assessment was carried out by Sprih |

**8. Does the entity have any project related to reducing GHG emission? If yes, then provide details.:**

The Company has undertaken multiple initiatives to reduce greenhouse gas (GHG) emissions. Specifically, we have planned to install 20 kW of solar panels at our head office and are planning to deploy a 1 MW solar plant at our factory locations. Furthermore, the company has conducted energy audits in our factories to identify and replace low efficiency equipment with energy-efficient alternatives. The Company has also started deploying electric vehicles for the last mile delivery.

**9. Details related to waste management:**

*a. Different types of waste generated by the entity, in the following format:*

| Organizational roles | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| **Total waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 537.62 | 322.00 |
| E-waste (B) | 0.02 | 0.01 |
| Bio-medical waste (C) | 0.003 | 0.01 |
| Construction and demolition waste (D) | 1.22 | - |
| Battery waste (E) | 0.8 | 0.16 |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any (G) | 119.72 | 69.40 |
| Other Non-hazardous waste generated (H). Please specify, if any | 590.44 | 459.57 |
| **Total (A+B+C+D+E+F+G+H)** | **1249.81** | **851.14** |
| Waste intensity per crore rupee of turnover (tonne/crore ₹ turnover) | 0.996 | 0.793 |
| Waste intensity per crore rupee of turnover adjusted for Purchasing Power Parity (PPP) | Since we are not exporting a significant amount of product, PPP adjustment is not applicable | |
| Waste intensity in terms of physical output tonne/kilolitre of FG | 0.006 | 0.006 |
| Waste intensity (optional) – the relevant metric may be selected by the entity | | |

b. *Different types of waste recovered or disposed by the entity, in the current financial year:*

| Category of waste (in metric tonnes) | Recycled | Re-used | Other recovery operations | Incineration | Landfilling | Other disposal operations |
|---|---|---|---|---|---|---|
| Plastic waste | 537.62 | - | - | - | - | - |
| E-waste | 0.02 | - | - | - | - | - |
| Bio-medical waste | - | - | - | 0.003 | - | - |
| Construction and demolition waste | 1.22 | - | - | - | - | - |
| Battery waste | 0.8 | - | - | - | - | - |
| Radioactive waste | - | - | - | - | - | - |
| Other hazardous waste, if any | 86.27 | - | - | - | 33.45 | - |
| Other non-hazardous waste generated, if any | 456.97 | 133.46 | - | - | - | - |
| **Total** | **1082.89** | **133.46** | **-** | **0.003** | **33.45** | **-** |

c. *Different types of waste recovered or disposed by the entity, in the previous financial year:*

| Category of waste (in metric tonnes) | Recycled | Re-used | Other recovery operations | Incineration | Landfilling | Other disposal operations |
|---|---|---|---|---|---|---|
| Plastic waste | 320.00 | - | - | - | 2.00 | - |
| E-waste | 0.01 | - | - | - | - | - |
| Bio-medical waste | - | - | - | 0.01 | - | - |
| Construction and demolition waste | - | - | - | - | - | - |
| Battery waste | 0.16 | - | - | - | - | - |
| Radioactive waste | - | - | - | - | - | - |
| Other hazardous waste, if any | 3.40 | - | - | - | 66.00 | - |
| Other non-hazardous waste generated, if any | 308.00 | 151.57 | - | - | - | - |
| **Total** | **631.57** | **151.57** | **-** | **0.01** | **68.00** | **-** |

Yes, Independent assessment was carried out by Sprih

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.:**

Waste management and reduction in our operations is one of the key areas of concerns for our organization. The Company has been making consistent efforts to reduce the quantity of waste produced through our operations, by following techniques to reuse and recycle generated waste in an environmentally friendly manner. Our Research and Development department continues its endeavors and its focus on development of new technology that reduces the dependence on ecologically harmful raw materials. Some of the key achievements in this context are – Water based coating for Interior & Exterior Woodwork, Premium Interior Emulsion with rich sheen and smooth finish and Polyurethane based single pack Floor coat.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| S. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? | If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|---|
| | NA | NA | NA | NA |

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA notification No. | Date | Whether conducted by independen t external agency | Results communica ted in public domain | Relevant web link |
|---|---|---|---|---|---|
| NA | NA | NA | NA | NA | NA |

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law/regulation/ guid elines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| | NA | NA | NA | NA |

## Leadership Indicator

1. **Please provide details of total scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|---|
| Total scope 3 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | $tCO_2e$ | 33094.00 | 26507.00 |
| Total scope 3 emissions per rupee of turnover | $tCO_2e$/crore ₹ turnover | 26.37 | 24.70 |
| Total scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | | |
| Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? | | Yes | Yes |
| If yes, name of the external agency. | | Independent assessment has been carried out by Sprih | |

We have covered only transportation and distribution category as of now.
All the environmental numeric data pertains exclusively to the manufacturing facilities and does not include data from the Pune head office

## C.7: Principle 7

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### Essential indicators

1. a. *Number of affiliations with trade and industry chambers/associations: 1*

   b. *List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:*

| S. No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/ associations |
|---|---|---|
| 1 | Indian Paint Association | National |

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.:**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| NA | NA | NA |

# C.8: Principle 8

**Businesses should promote inclusive growth and equitable development**

## Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.:** Not Applicable
2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not Applicable
3. **Describe the mechanisms to receive and redress grievances of the community.:**

   The Company acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. Through the CSR Programs, the Company extends its support to the marginalized society, especially the under privileged girl child and empowers them through education. The CSR Team of the Company along with the management regularly engages with these communities to understand their grievances and provide appropriate support.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Category | FY 2023 - 2024 (Current Financial Year) (%) | FY 2022-2023 (Previous Financial Year) (%) |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 46.39 | 44.86 |
| Directly from within India | 91.97 | 93.19 |

5. **Job creation in smaller towns – disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost.:**

| Location | FY 2023 - 2024 (Current Financial Year) | FY 2022-2023 (Previous Financial Year) |
|---|---|---|
| Rural | 0.84 | 1.03 |
| Semi-urban | 3.35 | 3.47 |
| Urban | 42.78 | 43.38 |
| Metropolitan | 53.03 | 52.12 |

## Leadership indicators:

1. **Details of beneficiaries of CSR projects:**

| S. No. | CSR project | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Educare | 150 | 100 |
| 2 | Grassroot Leadership Development Program | 1101 | 100 |
| 3 | Cancure Foundation | 154 | 100 |
| 4 | Healthcare for Painters | 3519 | 100 |

## C.9: Principle 9

**Businesses should engage with and provide value to their consumers in a responsible manner**

### Essential indicators

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.:**

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 customers.

**2. Turnover of product and/services as a percentage of turnover from all products/service that carry information about.:**

| Category | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100 |
| Safe and responsible usage | 100 |
| Recycling and/or safe disposal | 100 |

**3. Number of consumer complaints in respect of the following.:**

| Benefits | FY 2023 - 2024 (Current Financial Year) | | | FY 2022-2023 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at the end of year | Remarks | Received during the year | Pending resolution at the end of year | Remarks |
| Data privacy | - | - | NA | - | - | NA |
| Advertising | - | - | NA | - | - | NA |
| Cyber-security | - | - | NA | - | - | NA |
| Delivery of essential services | - | - | NA | - | - | NA |
| Restrictive trade practices | - | - | NA | - | - | NA |
| Unfair trade practices | - | - | NA | - | - | NA |
| Other | 51 | 4 | - | 42 | 3 | - |

**4. Details of instances of product recalls on account of safety issues.:**

| Category | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | - | NA |
| Forced recalls | - | NA |

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy?:**

| Questions | Response |
|---|---|
| Does the entity have a framework/ policy on cyber security and risks related to data privacy? | Yes |
| If available, provide a web-link of the policy. | https://indigopaints.com/investors/corporate-governance-2 |

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.:**

   NA

7 **Provide the following information relating to data breaches :**

| | | |
|---|---|---|
| a. | Number of instances of data breaches | - |
| b. | Percentage of data breaches involving personally identifiable information of customers. | - |
| c. | Impact, if any, of the data breaches. | NA |

## Leadership indicators:

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).:**

   www.indigopaints.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.:**

   To educate the consumers about the safe usage of the product, we create a document called as Product information Sheet for the basic information. We also create product applications videos for some special products for quick reference and circulations.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.:**

   In order to inform customers of disruption/discontinuation of essential services our branch offices connect with the local customers as per details stored in our database.

# Independent Auditor's Report

To the Members of
**Indigo Paints Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Indigo Paints Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, 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 standalone financial statements, including a summary of material 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 standalone 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, 2024, 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 standalone 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 Standalone 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 standalone 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 standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone 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 standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **(a) Revenue from contracts with Customer - Sale of goods** (as described in Note 18 of the standalone financial statements) | |
| Revenue is recognized when control of the goods is transferred to the customer, which is based on delivery terms, 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 considerations given to the customers. | Our audit procedures included, among others, the following:<br>• 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'.<br>• We obtained an understanding, evaluated the design and tested the operating effectiveness of the internal financial controls relating to revenue recognition process.<br>• We carried out analytical procedures on revenue recognised during the year and evaluated unusual variances.<br>• 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 |
|---|---|
| The terms of sales arrangements, including the timing of transfer of control, and the nature of discounts and rebate arrangements/schemes, 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. | • We compared the historical trend of payments and reversal of discounts and rebates to provisions made to assess the current year accruals.<br>• Amongst others, we performed the following tests for a sample of transactions:<br>  • 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.<br>  • Tested the supporting documentation for sales transactions recorded during the period closer to the year end.<br>  • Compared that the actual discounts/rebates in respect of a particular scheme does not exceed their approval amount.<br>• We read and assessed the relevant disclosures of Revenue from contracts with Customers made in the standalone 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 standalone 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 standalone 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 standalone 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements for the financial year ended March 31, 2024 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, 2020 ("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, to the extent applicable, 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 except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (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 standalone 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 standalone 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, 2024 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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g);

(i) 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 standalone financial statements – Refer Note 31 to the standalone 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.

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) As stated in note 12 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual

General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in note 44 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where the audit trail has been enabled.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership Number: 135859
UDIN: 24135859BKGWLR8351

Place of Signature: Mumbai
Date: May 22, 2024

# Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: **Indigo Paints Limited ("the Company")**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year. No discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties except as follows:

| Particulars | Guarantees (Amount in ₹ lakhs) |
|---|---|
| Aggregate amount granted/ provided during the year | |
| - Subsidiary | 1,800.00 |
| Balance outstanding as at balance sheet date in respect of above case | |
| - Subsidiary | 1,800.00 |

(b) During the year the investments made and guarantees provided and the terms and conditions of the investments and guarantees to company are not prejudicial to the Company's interest. The Company has not given security, granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of section 185 of the Act are applicable and no loans and security in respect of which provisions of section 186 of the Act are applicable. Investments and guarantees in respect of which provisions of section 186 of the Act are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 goods and services tax, provident fund, employees' state insurance, income-tax , duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, service tax, duty of excise and value added tax are not applicable to this Company.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, cess and other statutory dues which have not been deposited on account of any dispute. The dues of goods and services tax, income-tax, service tax, value added tax and building tax have not been deposited on account of any dispute, are as follows:

| Name of Statute | Nature of dues | Amount of demand# (₹ in lakhs) | Period to which it relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 21.53 | FY 2009-10 | Income Tax Appellate Tribunal, Cochin |
| Income Tax Act, 1961 | Income Tax | 11.73 | FY 2019-20 | Assessing officer, Income tax department & Commissioner of Income-tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 1.71 | FY 2011-12 | The Assistant Commissioner of Income tax, Kochi |
| The Central Excise Act, 1944 | Excise duty, Service tax and penalty | 5.29 (net of ₹ 0.43 paid under protest) | FY 2014-15 | Commissioner of Central Excise (Appeals), Cochin |
| The Kerala Building Tax Act, 1975 | Building Tax | 22.75 | FY 2019-20 | The Tahasildar, Kanayannur Taluk, Kanayannur, Kochi |
| Goods & Services Tax Act, 2016 | Goods & Services Tax | 40.05 (net of ₹ 2.16 paid under protest) | FY 2018-19 | Joint Commissioner of State Tax, Pune, Maharashtra |
| Goods & Services Tax Act, 2016 | Goods & Services Tax | 1402.46 (net of ₹ 60.49 paid under protest) | FY 2020-21 | Dy. Commissioner of State Tax (Appeals) – Pune |
| Goods & Services Tax Act, 2016 | Goods & Services Tax | 160.68 (net of ₹ 7.10 paid under protest) | FY 2021-22 | Dy. Commissioner of State Tax (Appeals) – Pune |
| Goods & Services Tax Act, 2016 | Goods & Services Tax | 9.24 (net of ₹ 0.45 paid under protest) | FY 2022-23 | Dy. Commissioner of State Tax (Appeals) - Pune |
| The Central Sales Tax Act, 1956 | Central sales tax | 4.21 | FY 2016-17 | Assistant Commissioner (ST), Chennai |

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary company. The Company does not have any associate or joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) Monies raised during the financial year 2020-21 by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been invested in fixed deposits and current account. The maximum amount of idle/surplus funds invested during the year was ₹ 164.38 lakhs, of which Rs Nil was outstanding at the end of the year.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 39 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25(A) to the financial statements.

(a) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 25(A) to the financial statements.

(xxi) The requirements of clause 3(xxi) of the order is not applicable to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership Number: 135859
UDIN: 24135859BKGWLR8351

Place of Signature: Mumbai
Date: May 22, 2024

# 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 standalone financial statements of Indigo Paints Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 standalone financial statements.

## Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 standalone 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 Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, 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 **Sumit Kumar Agrawal**
Partner
Membership Number: 135859
UDIN: 24135859BKGWLR8351

Place of Signature: Mumbai
Date: May 22, 2024

# Standalone Balance Sheet as at March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3.1 | 45,838.53 | 17,953.30 |
| Capital work in progress | 3.1 | 1,512.11 | 25,091.30 |
| Right-of-use assets | 3.2 | 5,876.95 | 5,430.38 |
| Goodwill | 3.3 | 3,055.20 | 3,055.20 |
| Other intangible assets | 3.3 | 62.07 | 30.56 |
| Investment in subsidiary | 4 | 3,024.29 | - |
| Financial assets | | | |
| Other financial assets | 5 | 220.02 | 162.90 |
| Income tax assets (net) | | 84.94 | - |
| Other assets | 9 | 3,358.79 | 2,562.74 |
| | | **63,032.90** | **54,286.38** |
| **Current assets** | | | |
| Inventories | 6 | 16,620.24 | 11,765.75 |
| Financial assets | | | |
| a) Investments | 4 | 15,764.20 | 13,168.64 |
| b) Trade receivables | 7 | 20,418.15 | 20,010.96 |
| c) Cash and cash equivalents | 8.1 | 3,265.02 | 4,717.93 |
| d) Bank balances other than cash and cash equivalents | 8.2 | 1.61 | 161.37 |
| e) Other financial assets | 5 | 15.81 | 17.86 |
| Other assets | 9 | 3,077.12 | 2,031.53 |
| | | **59,162.15** | **51,874.04** |
| **TOTAL** | | **1,22,195.05** | **1,06,160.42** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| a) Equity share capital | 10 | 4,762.10 | 4,758.83 |
| b) Other equity | 11 | 86,744.68 | 72,853.92 |
| | | **91,506.78** | **77,612.75** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| a) Lease liabilities | 35 | 1,023.18 | 694.31 |
| b) Other financial liabilities | 14 | 99.72 | - |
| Other liabilities | 15 | 519.51 | 480.02 |
| Provisions | 16 | 266.39 | 271.72 |
| Deferred tax liabilities (net) | 17 | 1,402.67 | 693.55 |
| | | **3,311.47** | **2,139.60** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| a) Lease liabilities | 35 | 660.67 | 491.22 |
| b) Trade payables - total outstanding dues of: | | | |
| - micro enterprises and small enterprises | 13 | 2,906.07 | 5,465.69 |
| - creditors other than micro enterprises and small enterprises | 13 | 19,143.17 | 14,448.78 |
| c) Other financial liabilities | 14 | 2,566.51 | 2,245.45 |
| Other liabilities | 15 | 1,761.72 | 1,600.52 |
| Provisions | 16 | 321.48 | 684.68 |
| Liabilities for income tax (net) | | 17.18 | 1,471.73 |
| | | **27,376.80** | **26,408.07** |
| **TOTAL** | | **1,22,195.05** | **1,06,160.42** |
| The accompanying notes are an integral part of the financial statements. | 2.1 | | |

As per our report of even date.

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

**per Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | Note | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 18 | 1,25,486.11 | 1,07,333.43 |
| Other income | 19 | 1,342.98 | 1,006.75 |
| **Total income (I)** | | **1,26,829.09** | **1,08,340.18** |
| **Expenses** | | | |
| Cost of raw materials and components consumed | 20 | 65,566.59 | 57,632.77 |
| Purchase of traded goods | | 2,669.62 | 2,056.57 |
| (Increase) in inventories of finished goods and traded goods | 21 | (2,854.92) | (164.41) |
| Employee benefits expense | 22 | 9,232.91 | 7,310.08 |
| Finance costs | 23 | 159.07 | 137.59 |
| Depreciation and amortization expense | 24 | 4,617.76 | 3,434.66 |
| Other expenses | 25 | 27,602.12 | 22,345.18 |
| **Total expenses (II)** | | **1,06,993.15** | **92,752.44** |
| **Profit before tax (III) = (I - II)** | | **19,835.94** | **15,587.74** |
| **Tax expense** | 17 | | |
| Current tax | | 4,259.31 | 4,179.57 |
| Adjustment of tax relating to earlier periods | | - | (1,632.99) |
| Deferred tax | | 711.37 | (152.78) |
| **Total tax expense** | | **4,970.68** | **2,393.80** |
| **Profit for the year** | | **14,865.26** | **13,193.94** |
| **Other comprehensive income (OCI)** | | | |
| Items not to be reclassified to profit or loss in subsequent periods | | | |
| Re-measurement (loss) on defined benefit plans | 27 | (8.93) | (3.14) |
| Income tax effect | 17 | 2.25 | 0.79 |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **(6.68)** | **(2.35)** |
| **Total comprehensive income for the year, net of tax** | | **14,858.58** | **13,191.59** |
| **Earnings per equity share (face value ₹10)** | 26 | | |
| - Basic (Amount in ₹) | | 31.23 | 27.73 |
| - Diluted (Amount in ₹) | | 31.15 | 27.67 |

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 Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Standalone Statement of Cash flows

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before tax** | 19,835.94 | 15,587.74 |
| **Adjustments to reconcile profit before tax to net cash flows** | | |
| Depreciation and amortization expense | 4,617.76 | 3,434.66 |
| Employee stock option expenses | 697.77 | 860.36 |
| Provision for impairment of financial assets (net) | 201.45 | 46.95 |
| (Gain) on disposal of property, plant and equipment and right-of-use asset (net) | (61.47) | (98.05) |
| Finance costs | 159.07 | 137.59 |
| Dividend on CCCPS | - | 0.10 |
| Fair value changes in derivative financial liability | 8.52 | - |
| Fair value gain on financial instruments at fair value through profit or loss | (1,215.39) | (765.05) |
| Interest (income) | (15.99) | (103.69) |
| **Operating profit before working capital changes** | **24,227.66** | **19,100.61** |
| **Working capital adjustments** | | |
| Increase in trade payables and other financial liabilities | 2,645.63 | 922.71 |
| Increase in other liabilities | 200.69 | 52.58 |
| (Decrease)/increase in provisions | (384.82) | 230.95 |
| (Increase) in trade receivables | (608.64) | (2,892.66) |
| (Increase)/decrease in inventories | (4,854.49) | 6.18 |
| (Increase) in other assets | (162.08) | (3,349.74) |
| (Increase) in other financial assets | (55.07) | (16.53) |
| **Cash generated from operating activities** | **21,008.88** | **14,054.10** |
| Direct taxes paid (net of refunds) | (5,798.80) | (2,442.79) |
| **Net cash flow from operating activities (A)** | **15,210.08** | **11,611.31** |
| **Cash flows (used in) investing activities** | | |
| Purchase of property, plant and equipment and intangible assets including movement in CWIP, capital advances and capital creditors | (10,155.65) | (19,925.67) |
| Proceeds from sale of property, plant and equipment | 11.47 | 228.07 |
| Investment in subsidiary | (2,933.09) | - |
| Purchase of short term investments | (4,500.00) | (3,000.00) |
| Proceeds from sale of short term investments | 3,119.83 | 7,905.95 |
| Investments in bank deposits (having original maturity of more than three months) | - | (1,438.22) |
| Proceeds from maturity of bank deposits | 158.50 | 7,536.00 |
| Interest received | 17.25 | 253.39 |
| **Net cash flow (used in) investing activities (B)** | **(14,281.69)** | **(8,440.48)** |

# Standalone Statement of Cash flows

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Cash flows (used in) financing activities** | | |
| Proceeds from exercise of share options | 3.27 | 1.93 |
| Payment of principal portion of lease liabilities | (718.98) | (581.03) |
| Dividend paid to shareholders | (1,665.59) | (1,427.07) |
| **Net cash flow (used in) financing activities (C)** | **(2,381.30)** | **(2,006.17)** |
| **Net (decrease)/increase in cash and cash equivalents (A + B + C)** | **(1,452.91)** | **1,164.66** |
| Cash and cash equivalents at the beginning of the year | 4,717.93 | 3,553.27 |
| **Cash and cash equivalents at the end of the year** | **3,265.02** | **4,717.93** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 8.52 | 10.06 |
| Balances with banks | | |
| - on current accounts | 1,655.91 | 4,276.13 |
| - deposits with original maturity of less than three months | 1,600.59 | 431.74 |
| **Total cash and cash equivalents (refer note 8.1)** | **3,265.02** | **4,717.93** |

Refer note 35 for changes in liabilities arising from financing activities and non-cash financing and investing activities.

As per our report of even date.

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

**per Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## a. Equity Share Capital#:

**Equity shares of ₹ 10 each issued, subscribed and fully paid**

| Particulars | No. of Shares | Amount |
|---|---|---|
| **As at April 1, 2022** | **4,75,68,997** | **4,756.90** |
| Issue of shares on exercise of stock options (refer note 11 and 29) | 19,285 | 1.93 |
| **As at March 31, 2023** | **4,75,88,282** | **4,758.83** |
| Issue of shares on exercise of stock options (refer note 11 and 29) | 32,705 | 3.27 |
| **As at March 31, 2024** | **4,76,20,987** | **4,762.10** |

## b. Other Equity#

| Particulars | Attributable to each shareholder | | | | |
|---|---|---|---|---|---|
| | Reserves & Surplus | | | | |
| | Securities premium | General reserves | Share based payment reserve | Retained earnings | Total other equity |
| **Balance as at April 1, 2022** | **39,424.05** | **43.78** | **271.58** | **20,489.53** | **60,228.94** |
| Profit for the year | - | - | - | 13,193.94 | 13,193.94 |
| Other comprehensive income | - | - | - | (2.35) | (2.35) |
| Exercise of share options (refer note 11 and 29) | 146.80 | - | (146.80) | | - |
| Share-based payments (refer note 22 and 29) | - | - | 860.36 | - | 860.36 |
| Dividend on equity shares/ adjustment in CCCPS | - | - | | (1,426.97) | (1,426.97) |
| **Balance as at March 31, 2023** | **39,570.85** | **43.78** | **985.14** | **32,254.15** | **72,853.92** |
| **Balance as at April 1, 2023** | **39,570.85** | **43.78** | **985.14** | **32,254.15** | **72,853.92** |
| Profit for the year | - | - | - | 14,865.26 | 14,865.26 |
| Other comprehensive income | - | - | - | (6.68) | (6.68) |
| Exercise of share options (refer note 11 and 29) | 392.83 | - | (392.83) | - | - |
| Share-based payments (refer note 22 and 29) | - | - | 697.77 | - | 697.77 |
| Dividend on equity shares | - | - | - | (1,665.59) | (1,665.59) |
| **Balance as at March 31, 2024** | **39,963.68** | **43.78** | **1,290.08** | **45,447.14** | **86,744.68** |

# There are no adjustments on account of prior period errors or due to changes in accounting policies.

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 Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 1. Corporate information

Indigo Paints 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 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 L24114PN2000PLC014669.

The financial statements were approved for issue in accordance with a resolution of the directors on May 22, 2024.

## 2.1 Material 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 material 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**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 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

control of the related goods or services to the customer).

**e. 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:

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

(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

(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.

**f. 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) |
|---|---|
| Building | 30 to 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.

**g. Other 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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.

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 |

**h. 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.

**i. 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:

a. Leasehold land – upto 99 years

b. Building – upto 10 years

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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 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.

**j. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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.

**k. 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 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 it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

**l. 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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.

**m. 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. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations 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.

**n. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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.

**o. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

(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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

*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.

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

- 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.

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.

**p. 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.

**q. 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**r. 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

**s. 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 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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 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 29.

### 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**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 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 18 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**

Several amendments and interpretations apply for the first time in the year ended March 31, 2024, but do not have a material impact on the financial statements of the Company.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## 3.1 Property, plant and equipment (PPE)

| Particulars | Freehold land | Building | Plant and machinery [refer note (i)] | Furniture and fixture | Office equipment | Leasehold improvements | Electrical installations and equipments | Computers and peripherals | Vehicles | Total | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | |
| **At April 1, 2022** | **1,439.20** | **8,946.61** | **14,070.96** | **472.13** | **229.21** | **34.60** | **696.42** | **51.06** | **107.82** | **26,048.01** | **5,097.27** |
| Additions | - | 9.50 | 1,963.67 | 15.77 | 28.23 | - | 10.49 | 6.17 | - | 2,033.83 | 22,027.86 |
| Disposals/transfers | - | (112.92) | (82.65) | (44.27) | (4.29) | (34.60) | (16.03) | (0.48) | (2.28) | (297.52) | (2,033.83) |
| **At March 31, 2023** | **1,439.20** | **8,843.19** | **15,951.98** | **443.63** | **253.15** | **-** | **690.88** | **56.75** | **105.54** | **27,784.32** | **25,091.30** |
| Additions | 250.54 | 4,208.56 | 25,304.54 | 227.14 | 28.36 | - | 1,774.33 | 30.41 | - | 31,823.88 | 8,286.29 |
| Disposals/transfers | - | - | (85.71) | (0.81) | (0.95) | - | - | (1.37) | - | (88.84) | (31,865.48) |
| **At March 31, 2024** | **1,689.74** | **13,051.75** | **41,170.81** | **669.96** | **280.56** | **-** | **2,465.21** | **85.79** | **105.54** | **59,519.36** | **1,512.11** |
| **Depreciation** | | | | | | | | | | | |
| **At April 1, 2022** | **-** | **788.44** | **5,770.13** | **138.24** | **52.60** | **34.60** | **271.44** | **38.00** | **34.86** | **7,128.31** | **-** |
| Charge for the year | - | 303.72 | 2,391.86 | 46.74 | 24.45 | - | 81.11 | 8.10 | 14.23 | 2,870.21 | - |
| Disposals/transfers | - | (21.60) | (62.94) | (31.95) | (2.23) | (34.60) | (11.42) | (0.48) | (2.28) | (167.50) | - |
| **At March 31, 2023** | **-** | **1,070.56** | **8,099.05** | **153.03** | **74.82** | **-** | **341.13** | **45.62** | **46.81** | **9,831.02** | **-** |
| Charge for the year | - | 376.46 | 3,264.44 | 58.83 | 27.53 | - | 175.62 | 12.35 | 13.91 | 3,929.14 | - |
| Disposals/transfers | - | - | (76.62) | (0.68) | (0.66) | - | - | (1.37) | - | (79.33) | - |
| **At March 31, 2024** | **-** | **1,447.02** | **11,286.87** | **211.18** | **101.69** | **-** | **516.75** | **56.60** | **60.72** | **13,680.83** | **-** |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2023** | **1,439.20** | **7,772.63** | **7,852.93** | **290.60** | **178.33** | **-** | **349.75** | **11.13** | **58.73** | **17,953.30** | **25,091.30** |
| **At March 31, 2024** | **1,689.74** | **11,604.73** | **29,883.94** | **458.78** | **178.87** | **-** | **1,948.46** | **29.19** | **44.82** | **45,838.53** | **1,512.11** |

**Notes**

i. Plant and machinery includes equipments installed at customers location given under operating lease arrangements (refer note 34). The carrying value of such assets are as below:

| Particulars | Opening Gross block | Addition | Disposal | Closing gross block | Opening accumulated depreciation | Charge for the year | Disposal | Closing accumulated depreciation | Net block |
|---|---|---|---|---|---|---|---|---|---|
| **At March 31, 2023** | **8,479.29** | **1,812.20** | **(32.00)** | **10,259.49** | **3,839.24** | **1,777.59** | **(25.32)** | **5,591.51** | **4,667.98** |
| **At March 31, 2024** | **10,259.49** | **2,295.56** | **(53.57)** | **12,501.48** | **5,591.51** | **1,869.60** | **(53.57)** | **7,407.54** | **5,093.94** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

### 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE) (Contd..)

ii. The Capital work in progress (CWIP) consists of construction of building and expenditure towards plant and machinery at its manufacturing facilities.

**CWIP ageing schedule as at March 31, 2024**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| - Manufacturing facility at Jodhpur | 1,366.36 | 4.04 | - | - | 1,370.40 |
| - Manufacturing facility at Pudukkottai | 19.65 | - | - | - | 19.65 |
| - Others | 107.28 | 14.78 | - | - | 122.06 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1,493.29** | **18.82** | **-** | **-** | **1,512.11** |

**CWIP ageing schedule as at March 31, 2023**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| - Manufacturing facility at Pudukkottai | 20,136.03 | 4,697.43 | 92.41 | - | 24,925.87 |
| - Others | 155.83 | - | 9.60 | | 165.43 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **20,291.86** | **4,697.43** | **102.01** | **-** | **25,091.30** |

**CWIP completion schedule as at March 31, 2024**

There are no projects as on March 31, 2024 whose completion is overdue or has exceeded its cost compared to its original plan.

**CWIP completion schedule as at March 31, 2023**

| CWIP | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Expansion of existing manufacturing facility at Pudukkottai | 24,925.87 | - | - | - | 24,925.87 |

### 3.2 Right of use assets

| Particulars | Leasehold land | Leased Building | Total |
|---|---|---|---|
| **Cost** | | | |
| **At April 1, 2022** | **2,254.61** | **2,457.93** | **4,712.54** |
| Additions | 2,265.28 | 445.81 | 2,711.09 |
| Disposals/transfers | - | (88.79) | (88.79) |
| **At March 31, 2023** | **4,519.89** | **2,814.95** | **7,334.84** |
| Additions | - | 1,243.74 | 1,243.74 |
| Disposals/transfers | - | (270.04) | (270.04) |
| **At March 31, 2024** | **4,519.89** | **3,788.65** | **8,308.54** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

### 3.2 Right of use assets (Contd..)

| Particulars | Leasehold land | Leased Building | Total |
|---|---|---|---|
| **Depreciation** | | | |
| **At April 1, 2022** | **81.62** | **1,310.49** | **1,392.11** |
| Charge for the year | 32.86 | 523.77 | 556.63 |
| Disposals/transfers | - | (44.28) | (44.28) |
| **At March 31, 2023** | **114.48** | **1,789.98** | **1,904.46** |
| Charge for the year | 50.25 | 628.28 | 678.53 |
| Disposals/transfers | - | (151.40) | (151.40) |
| **At March 31, 2024** | **164.73** | **2,266.86** | **2,431.59** |
| **Net block** | | | |
| **At March 31, 2023** | **4,405.41** | **1,024.97** | **5,430.38** |
| **At March 31, 2024** | **4,355.16** | **1,521.79** | **5,876.95** |

Refer note 35 for further disclosures on leases.

### 3.3 Intangible assets and goodwill

| Particulars | Goodwill | Computer software | Total intangible assets |
|---|---|---|---|
| **Cost** | | | |
| **At April 1, 2022** | **3,055.20** | **70.51** | **3,125.71** |
| Additions | - | - | - |
| Disposals/transfers | - | - | - |
| **At March 31, 2023** | **3,055.20** | **70.51** | **3,125.71** |
| Additions | - | 41.60 | 41.60 |
| Disposals/transfers | - | - | - |
| **At March 31, 2024** | **3,055.20** | **112.11** | **3,167.31** |
| **Amortization** | | | |
| **At April 1, 2022** | **-** | **32.13** | **32.13** |
| Charge for the year | - | 7.82 | 7.82 |
| Disposals/transfers | - | - | - |
| **At March 31, 2023** | **-** | **39.95** | **39.95** |
| Amortisation for the year | - | 10.09 | 10.09 |
| Disposals/transfers | - | - | - |
| **At March 31, 2024** | **-** | **50.04** | **50.04** |
| **Net block** | | | |
| **At March 31, 2023** | **3,055.20** | **30.56** | **3,085.76** |
| **At March 31, 2024** | **3,055.20** | **62.07** | **3,117.27** |

### 3.4 Impairment testing of goodwill

As at the March 31, 2024, the carrying amount of goodwill is ₹ 3,055.20 lakhs (March 31, 2023: ₹ 3,055.20) (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 pre-tax discount rate applied to cash flow projections for impairment testing during March 31, 2024: 10% (March 31, 2023: 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 at March 31, 2024, there were no indicators of impairment noted by management.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

### 3.4 Impairment testing of goodwill (Contd..)

The Company constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Company. The Company will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

## 4 Investments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non current investments** | | |
| **Investments at cost (fully paid)** | | |
| **Investment in equity instruments of Subsidiary Company (unquoted)** | | |
| Apple Chemie India Private Limited* | 3,024.29 | - |
| 44,924 fully paid equity shares of ₹ 100 each (March 31, 2023: Nil) | | |
| **Total non current investments** | **3,024.29** | **-** |
| **Current investments** | | |
| **Investments at fair value through profit or loss** | | |
| Investments in mutual funds (unquoted funds) | 15,764.20 | 13,168.64 |
| **Total current investments** | **15,764.20** | **13,168.64** |
| **Aggregate amount of quoted investments and market value thereof** | **18,788.49** | **13,168.64** |

Also refer note 36 for determination of fair values.

* refer note 42 for further details.

## 5 Other financial assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-Current** | | |
| **Financial Instruments at amortised cost** | | |
| Security deposits | 219.07 | 161.95 |
| Bank deposits with original maturity of more than twelve months (refer note 8) | 0.95 | 0.95 |
| **Total other non-current financial assets** | **220.02** | **162.90** |
| **Current** | | |
| **Financial Instruments at amortised cost** | | |
| Security deposits | 15.81 | 17.86 |
| **Total other current financial assets** | **15.81** | **17.86** |

## 6 Inventories (valued at lower of cost and net realizable value)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Raw materials and components* | 6,517.87 | 4,518.30 |
| Finished goods# | 9,449.07 | 6,884.07 |
| Traded goods# | 653.30 | 363.38 |
| **Total inventories** | **16,620.24** | **11,765.75** |

*includes goods in transit ₹ 419.31 lakhs (March 31, 2023: ₹ 442.29 lakhs)

#includes sales in transit ₹ 444.13 lakhs (March 31, 2023: ₹ 219.50 lakhs)

For the year ended March 31, 2024 ₹ (53.30) lakhs [(March 31, 2023 ₹ (12.29) lakhs] was recognised (net of reversals) as an (income) for finished goods inventories carried at net realisable value. These were recognised as an (income) during the year and included in cost of raw materials and components consumed in the Statement of profit and loss.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 7 Trade receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade receivables | 20,418.15 | 20,010.96 |
| **Break-up for security details:** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 20,361.10 | 19,906.18 |
| Trade receivables which have significant increase in credit risk | 408.32 | 266.78 |
| Trade receivables - credit impaired | - | - |
| | **20,769.42** | **20,172.96** |
| **Impairment allowance (allowance for bad and doubtful debts)** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | (160.81) | (55.15) |
| Trade receivables which have significant increase in credit risk | (190.46) | (106.85) |
| Trade Receivables - credit impaired | - | - |
| | **(351.27)** | **(162.00)** |
| | **20,418.15** | **20,010.96** |

**Trade receivables ageing schedule as at March 31, 2024**

| Particulars | Outstanding for following periods from due date of invoice | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables - considered good | 19,961.65 | 259.61 | 110.96 | 14.18 | 14.67 | 20,361.07 |
| (ii) Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed trade receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed trade receivables - considered good | - | - | - | - | - | - |
| (v) Disputed trade receivables - which have significant increase in credit risk | 1.38 | 26.05 | 165.88 | 53.79 | 161.25 | 408.35 |
| (vi) Disputed trade receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **19,963.03** | **285.66** | **276.84** | **67.97** | **175.92** | **20,769.42** |
| Less: Impairment allowance | | | | | | (351.27) |
| **Total** | | | | | | **20,418.15** |

**Trade receivables ageing schedule as at March 31, 2023**

| Particulars | Outstanding for following periods from due date of invoice | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables - considered good | 19,501.51 | 286.17 | 85.20 | 9.33 | 23.97 | 19,906.18 |
| (ii) Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed trade receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed trade receivables - considered good | - | - | - | - | - | - |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 7 Trade receivables (Contd..)

| Particulars | Outstanding for following periods from due date of invoice | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (v) Disputed trade receivables - which have significant increase in credit risk | 21.96 | 31.12 | 41.03 | 12.33 | 160.34 | 266.78 |
| (vi) Disputed trade receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **19,523.47** | **317.29** | **126.23** | **21.66** | **184.31** | **20,172.96** |
| Less: Impairment allowance | | | | | | (162.00) |
| **Total** | | | | | | **20,010.96** |

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. The Company has considered invoice date for the purpose of ageing of trade receivables.

There are no unbilled receivables.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| At the beginning of the year | 162.00 | 150.00 |
| (Less): Bad debts/ write off | (12.18) | (34.95) |
| | 149.82 | 115.05 |
| Add: Provision made during the year | 207.54 | 46.95 |
| (Less): Utilized /reversed during the year | (6.09) | - |
| At the end of the year | **351.27** | **162.00** |

## 8 Cash and bank balances

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **8.1 Cash and cash equivalents** | | |
| Balance with Banks | | |
| - on current accounts# | 1,655.91 | 4,276.13 |
| - deposits with original maturity of less than three months@ | 1,600.59 | 431.74 |
| Cash on hand | 8.52 | 10.06 |
| **Total cash and cash equivalents** | **3,265.02** | **4,717.93** |
| **8.2 Bank balances other than cash and cash equivalents** | | |
| Other bank balances | | |
| Balance in unpaid dividend account* | 0.51 | 0.12 |
| Deposits with original maturity of more than three months but less than twelve months@ | 1.10 | 161.25 |
| Deposits with original maturity of more than twelve months@ | 0.95 | 0.95 |
| Less: Amount disclosed under other financial assets (refer note 5) | (0.95) | (0.95) |
| **Total bank balances other than cash and cash equivalents** | **1.61** | **161.37** |
| | **3,266.63** | **4,879.30** |

# includes ₹ Nil (March 31, 2023: ₹ 5.26 lakhs) earmarked as monitoring account balance towards unutilized IPO proceeds.

@ includes ₹ Nil (March 31, 2023: ₹ 159.12 lakhs) earmarked as bank deposits towards unutilized IPO proceeds.

* Earmarked for payment of unclaimed dividend.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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.

## 9 Other assets

**(Unsecured, considered good unless otherwise stated)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current** | | |
| Capital advances | 1,902.98 | 223.42 |
| Balance with statutory/government authorities# | 1,455.81 | 2,339.32 |
| **Total other non-current assets** | **3,358.79** | **2,562.74** |
| Current | | |
| Advance to vendors | 83.98 | 406.81 |
| Prepaid expenses | 450.62 | 171.26 |
| Prepaid employee benefits (refer note 27) | 0.68 | 10.06 |
| Employee advances | 20.41 | 17.92 |
| Balance with statutory/government authorities# | 2,521.43 | 1,425.48 |
| **Total other current assets** | **3,077.12** | **2,031.53** |

#Balance with statutory/government authorities includes balance related to VAT and goods and services tax.

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.

## 10 Equity share capital

### A. Authorised share capital

| Particulars | Equity shares | |
|---|---|---|
| | No. of Shares | Amount |
| **As at April 1, 2022** | **7,00,00,000** | **7,000.00** |
| Increase during the year | - | - |
| **As at March 31, 2023** | **7,00,00,000** | **7,000.00** |
| Increase during the year | - | - |
| **As at March 31, 2024** | **7,00,00,000** | **7,000.00** |

### B. Reconciliation of the shares outstanding at the beginning and at the end of year

| Particulars | Equity shares | |
|---|---|---|
| | No. of Shares | Amount |
| **Issued, subscribed and fully paid up equity shares of ₹ 10 each:** | | |
| **As at April 1, 2022** | **4,75,68,997** | **4,756.90** |
| Issue of shares on exercise of stock options (refer note 29) | 19,285 | 1.93 |
| **As at March 31, 2023** | **4,75,88,282** | **4,758.83** |
| Issue of shares on exercise of stock options (refer note 29) | 32,705 | 3.27 |
| **As at March 31, 2024** | **4,76,20,987** | **4,762.10** |

### C. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share (March 31, 2023: ₹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 (refer note 12).

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 10 Equity share capital (Contd..)

### D. Details of shareholding more than 5% shares in the Company

| Name of the shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Nos. | % holding | Nos. | % holding |
| Equity shares of ₹ 10 each fully paid | | | | |
| Hemant Jalan | 85,67,500 | 17.99% | 85,67,500 | 18.00% |
| Anita Jalan | 69,87,500 | 14.67% | 69,87,500 | 14.68% |
| Kamalaprasad Jalan | 35,48,545 | 7.45% | 35,48,545 | 7.46% |
| Halogen Chemicals Private Limited - India | 49,58,070 | 10.41% | 49,58,070 | 10.42% |
| Peak XV Partners Investments IV (formerly Sequoia Capital India Investments IV) - Mauritius | 57,79,480 | 12.14% | 57,79,480 | 12.14% |
| Peak XV Partners Investments V (formerly SCI Investments V) - Mauritius | 62,34,155 | 13.09% | 62,34,155 | 13.10% |

### E. Details of shares held by promoter group

Equity shares of ₹10 each fully paid

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Hemant Jalan** | | |
| % | **17.99%** | **18.00%** |
| No. of shares | 85,67,500 | 85,67,500 |
| % change during the year | (0.01%) | (0.01%) |
| **Anita Jalan** | | |
| % | **14.67%** | **14.68%** |
| No. of shares | 69,87,500 | 69,87,500 |
| % change during the year | (0.01%) | (0.01%) |
| **Kamalaprasad Jalan** | | |
| % | **7.45%** | **7.46%** |
| No. of shares | 35,48,545 | 35,48,545 |
| % change during the year | (0.01%) | - |
| **Parag Jalan** | | |
| % | **3.41%** | **3.41%** |
| No. of shares | 16,25,000 | 16,25,000 |
| % change during the year | - | (0.01%) |
| **Halogen Chemicals Private Limited** | | |
| % | **10.41%** | **10.42%** |
| No. of shares | 49,58,070 | 49,58,070 |
| % change during the year | (0.01%) | - |

## 11 Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Reserves and surplus** | | |
| **Securities premium** | | |
| Opening balance | 39,570.85 | 39,424.05 |
| Add: Transferred from share based payment reserve | 392.83 | 146.80 |
| **Closing balance** | **39,963.68** | **39,570.85** |
| **General reserve** | | |
| Opening balance | 43.78 | 43.78 |
| **Closing balance** | **43.78** | **43.78** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 11 Other equity (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Share based payment reserve** | | |
| Opening balance | 985.14 | 271.58 |
| Add: Compensation for options granted during the year (refer note 22 and 29) | 697.77 | 860.36 |
| Less: Exercise of share options | (392.83) | (146.80) |
| **Closing balance** | **1,290.08** | **985.14** |
| **Retained earnings** | | |
| Opening balance | 32,254.15 | 20,489.53 |
| Add: Profit for the year | 14,865.26 | 13,193.94 |
| Add: Dividend on CCCPS | - | 0.10 |
| Less: Dividend paid during the year (refer note 12) | (1,665.59) | (1,427.07) |
| **Items of other comprehensive income recognised directly in retained earnings:** | | |
| Re-measurement (loss) on defined benefit plans, net of tax ₹(1.95) lakhs [March 31, 2023 ₹ (0.79) lakhs] | (6.68) | (2.35) |
| **Closing balance** | **45,447.14** | **32,254.15** |
| **Total other equity** | **86,744.68** | **72,853.92** |

**Securities premium account -** This represents the amount received in excess of par value of equity shares.

**General reserve -** Represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956.

**Share based payment 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.

**Retained earnings -** Retained earnings are the profits/(loss) that the company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

## 12 Distribution made and proposed

The Company has in the board meeting dated May 22, 2024, proposed a dividend of ₹1,666.73 lakhs (March 31, 2023: ₹1,665.59 lakhs).

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Dividend declared and paid** | | |
| Dividend for the year ended on March 31, 2023: ₹3.50 per share (March 31, 2022: ₹3 per share) | 1,665.59 | 1,427.07 |
| | **1,665.59** | **1,427.07** |
| **Proposed dividends on equity shares:** | | |
| Proposed dividend for the year ended on March 31, 2024: ₹3.50 per share (March 31, 2023: ₹3.50 per share) | 1,666.73 | 1,665.59 |
| | **1,666.73** | **1,665.59** |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at balance sheet date.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 13 Trade payables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| - total outstanding dues of micro enterprises and small enterprises (refer note 32) | 2,906.07 | 5,465.69 |
| - total outstanding dues of creditors others than micro enterprises and small enterprises | | |
| (i) related party (refer note 28) | 0.23 | - |
| (ii) others | 19,142.94 | 14,448.78 |
| **Total trade payables** | **22,049.24** | **19,914.47** |

**Terms and conditions of the above financial liabilities:**

a. Trade payables are non-interest bearing and are normally settled on 60-90 days terms.

b. For explanations on the Company's financial risk management processes, refer to note 38.

**Trade payables ageing schedule as at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Micro enterprises and small enterprises | 2,727.76 | 178.31 | - | - | - | 2,906.07 |
| (ii) Others | 10,709.59 | 3,021.60 | 39.26 | 0.14 | 0.72 | 13,771.31 |
| (iii) Disputed dues - Micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | 1.72 | 1.72 |
| **Subtotal** | **13,437.35** | **3,199.91** | **39.26** | **0.14** | **2.44** | **16,679.10** |
| Unbilled | | | | | | 5,370.14 |
| **Total** | | | | | | **22,049.24** |

**Trade payables ageing schedule as at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Micro enterprises and small enterprises | 4,964.40 | 498.86 | - | 2.43 | - | 5,465.69 |
| (ii) Others | 8,888.64 | 1,242.73 | 2.04 | 1.07 | - | 10,134.48 |
| (iii) Disputed dues - Micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Subtotal** | **13,853.04** | **1,741.59** | **2.04** | **3.50** | **-** | **15,600.17** |
| Unbilled | | | | | | 4,314.30 |
| **Total** | | | | | | **19,914.47** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 14 Other financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non current** | | |
| Put option liability (refer note 4) | 99.72 | - |
| **Total other non-current financial liabilities** | **99.72** | **-** |
| **Current** | | |
| Payables for property, plant and equipment, intangible assets and capital work in progress | 871.34 | 1,061.14 |
| Payable to employees* | 1,652.39 | 1,143.39 |
| Security deposits | 42.27 | 40.80 |
| Unclaimed dividend | 0.51 | 0.12 |
| **Total other current financial liabilities** | **2,566.51** | **2,245.45** |

* Including ₹ 28.87 lakhs due to directors (March 31, 2023: ₹ 28.77 lakhs), refer note 28.

## 15 Other liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non current** | | |
| Deferred revenue (refer note 3, 18 and 34) | 519.51 | 480.02 |
| **Total other non-current liabilities** | **519.51** | **480.02** |
| **Current** | | |
| Advance from customers (contract liabilities) | 418.64 | 325.70 |
| Deferred revenue (refer note 3, 18 and 34) | 274.87 | 244.71 |
| Statutory dues payables* | 1,068.21 | 1,030.11 |
| **Total other current liabilities** | **1,761.72** | **1,600.52** |

* Statutory dues payable includes payable on account of provident fund, tax deducted at source, goods and services tax etc.

## 16 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-Current** | | |
| Provision for long term sales scheme | 266.39 | 271.72 |
| | **266.39** | **271.72** |
| **Current** | | |
| Provision for leave encashment | 138.43 | 265.61 |
| Provision for long term sales scheme | 183.05 | 419.07 |
| | **321.48** | **684.68** |
| **Total provisions** | **587.87** | **956.40** |

In pursuance of Ind AS 37- ' Provisions, contingent liabilities and contingent assets' the provisions required have been incorporated in the following manner:

**Movement in provision for long term sales incentive**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At the beginning of the year** | 690.79 | 475.04 |
| (Less): payments during the year | (419.07) | - |
| Add: Provision made during the year (net) | 170.36 | 195.93 |
| Add: Accretion of interest | 7.36 | 19.82 |
| **At the end of the year** | **449.44** | **690.79** |
| Non-current liabilities | 266.39 | 271.72 |
| Current liabilities | 183.05 | 419.07 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

Long term sales scheme 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 2020-21.

## 17 Income taxes

**(A)** The major components of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are:

**Statement of profit and loss**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | 4,259.31 | 4,179.57 |
| Adjustment of tax relating to earlier periods | - | (1,632.99) |
| **Deferred tax** | | |
| Relating to origination and reversal of temporary differences | 711.37 | (152.78) |
| **Income tax expense reported in the Statement of profit and loss** | **4,970.68** | **2,393.80** |

**(B) Deferred tax related to items recognised in other comprehensive income**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Remeasurements of defined benefit asset | (2.25) | (0.79) |
| | **(2.25)** | **(0.79)** |

**(C) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Accounting profit before tax | 19,835.94 | 15,587.74 |
| **Tax as per India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)** | **4,992.71** | **3,923.43** |
| Indexed cost of investments | (107.51) | - |
| Adjustment of tax relating to earlier periods | - | (1,632.99) |
| Non-deductible expenses for tax purposes | 64.79 | 102.94 |
| Others | 20.69 | 0.42 |
| **Income tax expense reported in the Statement of profit and loss** | **4,970.68** | **2,393.80** |

**(D) Deferred tax (liabilities)**

(₹ in Lakh)

| Particulars | Balance sheet | | Statement of profit and loss & OCI | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| **Deferred tax relates to the following** | | | | |
| Accelerated depreciation/ amortization for tax purposes | (1,577.64) | (893.35) | 684.29 | (110.97) |
| Change in fair value of financial instruments | (387.50) | (231.22) | 156.28 | 77.80 |
| Disallowances towards expenditure to be allowed in subsequent period | 489.13 | 341.67 | (147.46) | (103.79) |
| ICDS related allowances/ disallowances | 29.54 | 43.68 | 14.14 | (1.54) |
| Deferred tax on leased assets and liabilities (net) | 40.79 | 40.41 | (0.38) | (15.86) |
| On items recognized in OCI | 3.01 | 5.26 | 2.25 | 0.79 |
| **Deferred tax income/ (expense)** | | | **709.12** | **(153.57)** |
| **Net deferred tax (liabilities)** | **(1,402.67)** | **(693.55)** | | |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 17 Income taxes (Contd..)

### Reconciliation of deferred tax liabilities (net)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Opening balance** | **693.55** | **847.12** |
| Tax expense/(income) during the year recognised in profit or loss | 711.37 | (152.78) |
| Tax (income) during the year recognised in OCI | (2.25) | (0.79) |
| **Closing balance** | **1,402.67** | **693.55** |

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.

## 18 Revenue from operations

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Revenue from contracts with customers (At a point in time)** | | |
| Sale of goods | 1,24,932.88 | 1,06,832.76 |
| **Total revenue from contracts with customers** | **1,24,932.88** | **1,06,832.76** |
| **Other operating revenue** | | |
| Scrap sales | 259.16 | 214.54 |
| Amortisation of deferred revenue (also refer note 3, 15 and 34) | 294.07 | 286.13 |
| **Total other operating revenue** | **553.23** | **500.67** |
| **Total revenue from operations** | **1,25,486.11** | **1,07,333.43** |

**Disclosure pursuant to Ind AS 115: Revenue from contract with customers**

### A Disaggregated revenue

**(i) Revenue by geographical market**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Within India | 1,25,219.32 | 1,07,013.04 |
| Outside India | 266.79 | 320.39 |
| | **1,25,486.11** | **1,07,333.43** |

### B Contract balances

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Advance from customers (note 15) | 418.64 | 325.70 |
| Trade receivables (note 7) | 20,418.15 | 20,010.96 |

### C Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Advance from customers (note 15) | 325.70 | 256.84 |

### D Reconciling the amount of revenue from contracts with customers recognised in the statement of profit and loss with the contracted price

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Gross revenue (Invoicing as per contracted price) | 1,52,713.16 | 1,25,658.27 |
| - Discounts and rebates | (27,335.01) | (18,665.89) |
| - Changes in revenue due to performance obligations (net) | (445.27) | (159.62) |
| **Net revenue from contract with customers** | **1,24,932.88** | **1,06,832.76** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 19 Other income

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Interest income from financial assets carried at amortised cost | | |
| - Bank deposits | 15.99 | 103.69 |
| Fair value gain on financial instruments at fair value through profit or loss | 1,215.39 | 765.05 |
| Foreign exchange differences (net) | 36.42 | (2.90) |
| Miscellaneous income | 13.71 | 42.86 |
| Gain on disposal of property, plant and equipment and right-of-use asset (net) | 61.47 | 98.05 |
| **Total other income** | **1,342.98** | **1,006.75** |

## 20 Cost of raw materials and components consumed

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Inventory at the beginning of the year | 4,518.30 | 4,688.89 |
| Add: purchases | 67,566.16 | 57,462.18 |
| | **72,084.46** | **62,151.07** |
| Less: inventory at the end of the year | 6,517.87 | 4,518.30 |
| **Total cost of raw materials and components consumed** | **65,566.59** | **57,632.77** |

## 21 (Increase) in inventories of finished goods and traded goods

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Inventory at the end of the year | | |
| Finished goods | 9,449.07 | 6,884.07 |
| Traded goods | 653.30 | 363.38 |
| | **10,102.37** | **7,247.45** |
| Inventory at the beginning of the year | | |
| Finished goods | 6,884.07 | 6,722.75 |
| Traded goods | 363.38 | 360.29 |
| | **7,247.45** | **7,083.04** |
| **(Increase) in inventories of finished goods and traded goods** | **(2,854.92)** | **(164.41)** |

## 22 Employee benefits expense

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Salaries, wages and bonus | 8,092.02 | 6,130.26 |
| Employee stock option expenses (refer note 11 & 29) | 697.77 | 860.36 |
| Contribution to provident and other funds | 244.08 | 190.46 |
| Gratuity expenses (refer note 27) | 32.29 | 25.55 |
| Staff welfare expenses | 166.75 | 103.45 |
| **Total employee benefits expense** | **9,232.91** | **7,310.08** |

## 23 Finance costs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Unwinding of financial liabilities (refer note 16 & 35) | 159.07 | 137.59 |
| **Total finance costs** | **159.07** | **137.59** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 24 Depreciation and amortization expense

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3.1) | 3,929.14 | 2,870.21 |
| Depreciation of Right-of-use assets (refer note 3.2) | 678.53 | 556.63 |
| Amortization of intangible assets (refer note 3.3) | 10.09 | 7.82 |
| **Total depreciation and amortization expense** | **4,617.76** | **3,434.66** |

## 25 Other expenses

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Consumption of stores and spares | 415.28 | 286.22 |
| Contract labour charges | 1,181.00 | 641.53 |
| Power and fuel | 691.31 | 474.81 |
| Freight and forwarding charges | 12,073.50 | 9,626.56 |
| Rates and taxes | 168.72 | 289.65 |
| Repairs and maintenance | | |
| - Plant and machinery | 262.87 | 173.02 |
| - Others | 261.49 | 211.19 |
| Advertisement and sales promotion | 9,231.88 | 8,269.52 |
| Travelling and conveyance | 1,725.57 | 1,240.61 |
| Communication expense | 45.73 | 38.61 |
| Legal and professional charges | 337.23 | 214.54 |
| Payment to auditors | | |
| As auditors | | |
| - Audit fees | 35.00 | 38.00 |
| - Limited review | 15.00 | 12.00 |
| - Out of pocket expenses | 1.88 | 2.04 |
| Provision for impairment of financial assets | 201.45 | 46.95 |
| CSR expenditure [refer note 25(A)] | 235.00 | 181.60 |
| Miscellaneous expenses [including directors sitting fees and commission ₹ 56.25 lakhs (March 31, 2023: ₹ 60.00 lakhs)] | 719.21 | 598.33 |
| **Total other expenses** | **27,602.12** | **22,345.18** |

### (A) Details of CSR expenditure

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| a) Gross amount required to be spent by the Company during the year | 235.60 | 181.60 |
| b) Amount approved by the Board to be spent during the year | 235.00 | 182.96 |

**1. Amount spent during the year ended on March 31, 2024:**

| Particulars | In cash | Yet to be paid | Total |
|---|---|---|---|
| i) Construction/acquisition of any asset | | - | - |
| ii) On purposes other than (i) above | 235.00 | - | 235.00 |

**2. Amount spent during the year ended on March 31, 2023:**

| Particulars | In cash | Yet to be paid | Total |
|---|---|---|---|
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 182.96 | - | 182.96 |

**3. Details related to spent / unspent obligations:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| i) Contribution to Charitable Trust# | 235.00 | 182.96 |

# CSR expenditure of ₹ 235.00 lakhs (March 31, 2023: ₹181.60 lakhs) includes programmes for promoting education, healthcare and developmental programmes.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 25 Other expenses (Contd..)

### 4. Details of excess amount spent

| Particulars | Opening balance (Prepaid) | Amount required to be spent during the year | Amount spent during the year | Closing balance (Prepaid) |
|---|---|---|---|---|
| i) for the year ended March 31, 2023 | - | 181.60 | 182.96 | (1.36) |
| ii) for the year ended March 31, 2024 | (1.36) | 235.60 | 235.00 | (0.76) |

5. The details of related party transactions in relation to CSR expenditure as per relevant accounting standard is disclosed in note 28.

## 26 Earnings per share

The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Profit after tax attributable to the equity holders (₹ in lakhs) (a) | 14,865.26 | 13,193.94 |
| Weighted average number of shares considered for calculating basic EPS (b) | 4,76,03,403 | 4,75,73,224 |
| Weighted average number of shares considered for calculating diluted EPS (c) | 4,77,23,278 | 4,76,90,919 |
| Nominal value of shares (₹) | 10.00 | 10.00 |
| Basic earnings per share (₹) (d) = (a)/(b) | 31.23 | 27.73 |
| Diluted earnings per share (₹) (e) = (a)/(c) | 31.15 | 27.67 |

**Computation of weighted average number of shares**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Calculation of weighted number of shares of ₹ 10 each | | |
| Number of shares outstanding as at April 01 | 4,75,88,282 | 4,75,68,997 |
| Number of shares outstanding for 216 days | 19,740 | - |
| Number of shares outstanding for 98 days | 12,965 | - |
| Number of shares outstanding for 80 days | - | 19,285 |
| **Weighted average number of shares considered for calculation of Basic EPS** | **4,76,03,403** | **4,75,73,224** |
| **Effect of dilution:** | | |
| Stock options granted under ESOP (refer note 29) | 1,19,875 | 1,17,695 |
| **Total considered for calculating Diluted EPS** | **4,77,23,278** | **4,76,90,919** |

## 27 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 27 Gratuity (Contd..)

**Net employee benefit expense on account of gratuity recognised in employee benefits expense.**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Current service cost | 34.34 | 29.30 |
| Past service cost | - | - |
| Net interest (income) | (2.05) | (3.75) |
| **Net benefit expense recognised in the Statement of profit and loss** | **32.29** | **25.55** |

**Amount recognised in the statement of other comprehensive income**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Actuarial (gains) /losses arising from changes in financial assumptions | 9.23 | (6.84) |
| Actuarial (gains) /losses arising from changes in experience assumptions | (3.74) | 7.12 |
| Actuarial (gains) /losses arising from changes in demographic assumptions | - | - |
| Return on plan assets excluding amounts included in interest loss | 3.44 | 2.86 |
| **Total re-measurement costs for the year recognised in other comprehensive income** | **8.93** | **3.14** |

**Changes in the present value of the defined benefit obligation are as follows :**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening defined benefit obligation | 234.22 | 204.73 |
| Current service cost | 34.34 | 29.30 |
| Interest cost | 16.55 | 14.09 |
| Benefits paid | (23.30) | (14.18) |
| Re-measurement loss in other comprehensive income | 5.49 | 0.28 |
| **Closing defined benefit obligation** | **267.30** | **234.22** |

**Changes in the fair value of plan assets are as follows :**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 244.28 | 241.81 |
| Interest income | 18.60 | 17.84 |
| Contributions by employer | 31.84 | 1.67 |
| Benefits paid | (23.30) | (14.18) |
| Return on plan assets, excluding amount recognized in interest losses | (3.44) | (2.86) |
| **Fair value of plan assets at the end of the year** | **267.98** | **244.28** |

**Net benefit (asset)**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Present value of defined benefit obligation at the end of the year | 267.30 | 234.22 |
| Less: Fair value of plan assets at the end of the year | 267.98 | 244.28 |
| **Net benefit (asset)** | **(0.68)** | **(10.06)** |

**The major categories of plan assets of the fair value of the total plan assets are as follows:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 27 Gratuity (Contd..)

**The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rate | 7.20% | 7.50% |
| 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) |

The discount rate is based on yields on government bonds.

Salary growth rate is based on cumulative average growth rate of existing employees over the duration of the liabilities.

**A quantitative sensitivity analysis for significant assumption as at March 31, 2024 and March 31, 2023 is as shown below:**

| Assumptions | Impact on defined benefit obligation | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Increase by 50 basis points | Decrease by 50 basis points | Increase by 50 basis points | Decrease by 50 basis points |
| Discount rate | (15.12) | 16.51 | (12.80) | 13.99 |
| Salary growth rate | 16.70 | (15.32) | 14.21 | (13.11) |

| Assumptions | Impact on defined benefit obligation | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Increase by 100 basis points | Decrease by 100 basis points | Increase by 100 basis points | Decrease by 100 basis points |
| Withdrawal Rate | 1.21 | (1.26) | 1.19 | (1.23) |

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:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Within next 12 months | 24.76 | 26.85 |
| Between 1 to 5 years | 40.00 | 37.76 |
| Between 5 to 10 years | 100.60 | 76.68 |

The average duration of the defined benefit plan obligation at the end of the year is 13.06 years (March 31, 2023: 12.78 years)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 28 Related party transactions

### A Names of related parties and related party relationship

| | |
|---|---|
| Apple Chemie India Private Limited - India (w.e.f. April 03, 2023) | Subsidiary Company |
| 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 | Chief financial officer |
| Sujoy Bose (up to June 29, 2023) | Company Secretary & Compliance Officer |
| Dayeeta Gokhale (w.e.f. June 29, 2023) | Company Secretary & Compliance Officer |
| Sunil Badriprasad Goyal | Independent Director |
| Praveen Kumar Ramniranjan Tripathi | Independent Director |
| Ravi Nigam | Independent Director |
| Nupur Garg (up to May 04, 2023) | Independent Director |
| Ashwini Deshpande (w.e.f. May 26, 2023) | Independent Director |
| Sakshi Vijay Chopra | Nominee Director |
| Ravi Shankar Venkataraman Ganapathy Agraharam (up to February 10, 2023) | Alternate Director |
| Payal Jalan Charitable Trust | Entity controlled by KMP |
| Vinay Menon | Relative of KMP |

### 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.

#### a. Transactions during the year

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---:|---:|
| **(i) Remuneration paid** | | |
| **Salary allowances and bonus*** | | |
| Hemant Jalan | 240.00 | 240.00 |
| Anita Jalan | 15.00 | 15.00 |
| Kottiedath Venugopal Narayanankutty | 165.93 | 153.83 |
| Vinay Menon | 41.43 | 33.55 |
| Chetan Humane | 58.67 | 46.77 |
| Sujoy Bose | 6.55 | 13.76 |
| Dayeeta Gokhale | 8.01 | - |
| **(ii) CSR expenditure** | | |
| Payal Jalan Charitable Trust | 85.00 | 82.00 |
| **(iii) Directors sitting fees & commission** | | |
| Sunil Badriprasad Goyal | 15.00 | 15.00 |
| Praveen Kumar Ramniranjan Tripathi | 15.00 | 15.00 |
| Ravi Nigam | 15.00 | 15.00 |
| Nupur Garg | - | 15.00 |
| Ashwini Deshpande | 11.25 | - |
| **(iv) Purchase of raw material** | | |
| Apple Chemie India Private Limited | 20.18 | - |
| **(v) Legal & Professional fee** | | |
| Apple Chemie India Private Limited | 24.00 | - |
| **(v) Corporate guarantee issued** | | |
| Apple Chemie India Private Limited | 1,800.00 | - |
| **(vi) Recovery of corporate guarantee charges** | | |
| Apple Chemie India Private Limited | 3.25 | - |
| **(vii) Reimbursement of expenses (net)** | | |
| Apple Chemie India Private Limited | 0.34 | - |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 28 Related party transactions

### b. Closing balance

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| Apple Chemie India Private Limited | 0.23 | - |
| **Remuneration payable** | | |
| Hemant Jalan | 20.00 | 20.00 |
| Anita Jalan | 1.12 | 1.02 |
| Kottiedath Venugopal Narayanankutty | 7.75 | 7.75 |
| Vinay Menon | 2.14 | 1.86 |
| Chetan Humane | 2.41 | 2.09 |
| Sujoy Bose | - | 1.13 |
| Dayeeta Gokhale | 0.85 | - |

* The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.

**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.

The transactions with related parties (excluding relatives of KMPs) includes managerial remuneration which is determined based on market conditions and is approved by Nomination and Remuneration Committee of the Company.

## 29 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 2019 | Employee stock option scheme 2019 | Employee stock option scheme 2019 | Employee stock option scheme 2019 | Employee stock option scheme 2019 |
|---|---|---|---|---|---|
| Date of grant | June 04, 2019 | July 07, 2020 | October 29, 2021 | May 20, 2022 | May 26, 2023 |
| Date of board approval | April 29, 2019 | July 07, 2020 | October 29, 2021 | May 20, 2022 | May 26, 2023 |
| Date of shareholder's approval | March 28, 2019 | March 28, 2019 | March 28, 2019 | March 28, 2019 | March 28, 2019 |
| Number of options granted | 27,750 | 21,250 | 70,750 | 27,450 | 43,500 |
| Method of settlement | Equity settled | | | | |
| Original vesting period | 5 years | 5 years | 5 years | 5 years | 1- 4 years |
| Revised vesting period# | 1- 4 years | 1- 4 years | 1- 4 years | 1- 4 years | 1- 4 years |
| Fair value of shares on date of grant | ₹ 242.98 | ₹ 612.96 | ₹ 2,390.59 | ₹1,611.60 | ₹1,488.41 |
| Vesting conditions | Vesting based on continued association with the Company | | | | |

# During the year 2022-23, based on the powers of the board of directors, the board has revised the vesting period of 4 years for Employee stock option scheme 2019 as 10% after the completion of year 1, 20% after the completion of year 2, 30% after the completion of year 3 and 40% after the completion of year 4.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 29 Employee stock option scheme (adjusted for issue of bonus shares) (Contd..)

### ii. The details of activities under the scheme have been summarized below:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price (₹) | Number of options | Weighted average exercise price (₹) |
| Outstanding at the beginning of the year | 1,17,695 | 10.00 | 1,16,250 | 10.00 |
| Granted during the year | 43,500 | 10.00 | 27,450 | 10.00 |
| Forfeited during the year | (8,615) | 10.00 | (6,720) | 10.00 |
| Exercised during the year | (32,705) | 10.00 | (19,285) | 10.00 |
| Outstanding at the end of the year | 1,19,875 | 10.00 | 1,17,695 | 10.00 |
| Exercisable at the end of the year | 6,080 | 10.00 | 8,515 | 10.00 |

### iii. The details of stock options exercised during the year:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Number of options exercised during the year | 32,705 | 19,285 |
| Weighted average share price (₹) | 10.00 | 10.00 |

### iv. The details of exercise price for stock options outstanding at the end of the year are:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Number of options outstanding | 1,19,875 | 1,17,695 |
| Exercise price (₹) | ₹ 10 | ₹ 10 |
| Weighted average remaining contractual life of options (in years) | 2.14 yrs | 2.25 yrs |

### v. Stock options granted:

The weighted average fair value of stock options granted during the period was ₹1,936.47 (March 31, 2023: ₹2,098.68). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs (previous year's figures are shown in box bracket)

| Grant date<br>Modification date | June 04, 2019<br>September 02, 2022 | July 07, 2020<br>September 02, 2022 | October 29, 2021<br>September 02, 2022 | May 20, 2022<br>September 02, 2022 | May 26, 2023<br>- |
|---|---|---|---|---|---|
| Weighted average share price (₹) | 235.90 | 606.96 | 2,390.59 | 1,611.60 | 1,507.40 |
| | [235.90] | [606.96] | [2,390.59] | [1,611.60] | [ - ] |
| Exercise Price (₹) | ₹10 | ₹10 | ₹10 | ₹10 | ₹10 |
| | [₹10] | [₹10] | [₹10] | [₹10] | [ - ] |
| Expected volatility (%) | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% |
| | [28.00%] | [28.00%] | [28.00%] | [28.00%] | [ - ] |
| Expected life of the options granted (in years) | 0.17 to 3.17 yrs | 1.27 to 4.27 yrs | 2.58 to 5.58 yrs | 3.13 to 6.13 yrs | 4.15 to 7.15 yrs |
| | [1.18 to 4.18 yrs] | [2.27 to 5.27 yrs] | [3.58 to 6.58 yrs] | [4.14 to 7.14 yrs] | [ - ] |
| Average risk-free interest rate (%) | 6.35% - 6.95% | 3.69% - 4.96% | 4.09% - 5.74% | 5.96% - 7.25% | 7.01% - 7.06% |
| | [6.35% - 6.95%] | [3.69% - 4.96%] | [4.09% - 5.74%] | [5.96% - 7.25%] | [ - ] |
| Dividend yield | 0% | 0% | 0% | 0.30% | 0.23% |
| | [0%] | [0%] | [0%] | [0.30%] | [ - ] |

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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 29 Employee stock option scheme (adjusted for issue of bonus shares) (Contd..)

**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, 2024 amounted to ₹ 697.77 lakhs (March 31, 2023: ₹ 860.36 lakhs). The liability for employee stock options outstanding as at March 31, 2024 is ₹1,290.08 lakhs (March 31, 2023: ₹ 985.14 lakhs

## 30 Capital and other commitments

i) The estimated amounts of contract remaining to be executed on capital account and not provided for are ₹17,963.64 lakhs (net of advances: ₹1,898.69 lakhs) [March 31, 2023: ₹ 2,016.37 lakhs (net of advances: ₹ 154.59 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) The Company has issued bank guarantee of ₹1,800 lakhs in favour of the bankers of subsidiary, for credit facilities availed by subsidiary (March 31, 2023: ₹ Nil).

iv) For commitments relating to lease arrangements, refer note 35.

## 31 Contingent liabilities

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Sales tax - C forms | 1.04 | 6.14 |
| Value added tax | 65.98 | 1,727.80 |
| Income tax matters | 46.73 | 45.53 |
| Excise and service tax related matters | 5.72 | 5.72 |
| Building tax | 22.75 | 22.75 |
| Goods and services tax | 1,993.76 | 1,372.43 |
| **Total*** | **2,135.98** | **3,180.37** |

Sales tax/ Income tax/ Excise and service tax /Goods and services tax dues comprise of demand from Indian tax authorities for payment of additional tax in relation to various tax matters. The Company is contesting the demands and the management, including its tax advisors, believe its position will likely be upheld in appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. 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 (if any), thereon.

## 32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| 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 | 2,906.07 | 5,465.69 |
| - Interest due on above | - | 6.65 |
| 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 | - | - |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 39.44 | 39.44 |
| 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 | 39.44 | 39.44 |

## 33 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.

## 34 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 ₹ 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. The initial direct cost relating to acquisition of tinting machine and gyro shakers is capitalised. The information on gross amount of leased asset, depreciation and impairment is given in note 3.1(i).

## 35 Leases

### A Company as a lessee

The Company has lease contracts mainly for land and buildings (godowns and depots) used for factory operations and storage of goods. Leases of such depots /godowns generally have lease terms between 3 and 10 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.

Leasehold land has lease term between 83 to 99 years.

For details on Right to use assets, refer note 3.2

The carrying amounts of lease liabilities and the movements during the year:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **At the beginning of the year** | **1,185.53** | **1,243.64** |
| Additions | 1,243.74 | 445.81 |
| Accretion of interest | 151.71 | 121.62 |
| Disposals/ Cancellations | (178.15) | (44.51) |
| Payments | (718.98) | (581.03) |
| **At the end of the year** | **1,683.85** | **1,185.53** |
| Current | 660.67 | 491.22 |
| Non-current | 1,023.18 | 694.31 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 35 Leases (Contd..)

### Non-cash investing transaction

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Additions to lease liabilities and right-of-use assets | 1,243.74 | 445.81 |
| Disposals/ Cancellations | (178.15) | (44.51) |
| Interest accrued on lease liabilities | 151.71 | 121.62 |

The maturity analysis of lease liabilities are disclosed in note 38.

The effective interest rate for lease liabilities is 10%, with maturity between 2024-2033.

The following are the amounts recognised in profit or loss:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Depreciation expense of right-of-use assets | 678.53 | 556.63 |
| Interest expense on lease liabilities | 151.71 | 121.62 |
| (Gain) on termination of lease | (59.50) | - |
| **Total amount recognised in Statement of profit and loss** | **770.74** | **678.25** |

The Company had total cash outflows for leases of ₹ 718.98 lakhs in March 31, 2024 (₹ 581.03 lakhs in March 31, 2023). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 1,243.74 lakhs in March 31, 2024 (₹ 445.81 lakhs in March 31, 2023). 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.

## 36 Fair value measurements

### i) Category of financial instruments and valuation techniques

#### Breakup of financial assets carried at amortised cost

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Trade receivables (refer note 7) | 20,418.15 | 20,010.96 |
| Cash and cash equivalent (refer note 8.1) | 3,265.02 | 4,717.93 |
| Bank balances other than Cash and cash equivalents (refer note 8.2) | 1.61 | 161.37 |
| Other financial assets (refer note 5) | 235.83 | 180.76 |
| **Total** | **23,920.61** | **25,071.02** |

**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

(₹ in Lakh)

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Investments | 15,764.20 | 13,168.64 | 15,764.20 | 13,168.64 |
| **Total** | **15,764.20** | **13,168.64** | 15,764.20 | 13,168.64 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 36 Fair value measurements (Contd..)

### Breakup of financial liabilities carried at amortised cost

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Lease liabilities (refer note 35) | 1,683.85 | 1,185.53 |
| Trade payables (refer note 13) | 22,049.24 | 19,914.47 |
| Other financial liabilities (refer note 14) | 2,666.23 | 2,245.45 |
| **Total** | **26,399.32** | **23,345.45** |

**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, 2024 and March 31, 2023 respectively.

| Particulars | Date of valuation | Fair value measurement using | | | Total |
|---|---|---|---|---|---|
| | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs | |
| | | Level 1 | Level 2 | Level 3 | |
| **Financial assets measures at fair value** | | | | | |
| Investments in mutual funds | March 31, 2024 | 15,764.20 | - | - | 15,764.20 |
| (refer note 4) | March 31, 2023 | 13,168.64 | - | - | 13,168.64 |
| **Financial liabilities measures at fair value** | | | | | |
| Put option liability | March 31, 2024 | - | 99.72 | - | 99.72 |
| (refer note 14) | March 31, 2023 | - | - | - | - |

There has been no transfer among Level 1, Level 2 and Level 3 during the year.

## 37 Capital management

The Company's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirements based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the period ended March 31, 2024. Capital represents equity attributable to equity holders of the Company.

| | Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| (a) | Trade payables | 22,049.24 | 19,914.47 |
| (b) | Cash and cash equivalents (includes deposits with original maturity of more than 3 months but less than 12 months) | (3,266.12) | (4,879.18) |
| **(c)** | **Net obligations (a+b)** | **18,783.12** | **15,035.29** |
| (d) | Equity | 91,506.78 | 77,612.75 |
| **(e)** | **Gearing ratio (c/d)** | **0.21** | **0.19** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 38 Financial risk management objectives and policies

The Company's principal financial liabilities comprise lease liabilities 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 trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds.

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 deposits and investments.

The Company does not have significant 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 are no floating interest rates on financial assets and no debt obligations.

### (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.

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.

#### (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, 2024 and March 31, 2023 is the carrying amounts as mentioned in note 4 and 8.

### (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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 38 Financial risk management objectives and policies (Contd..)

### (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 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, 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 | On demand | Next 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **March 31, 2024** | | | | | |
| Lease Liabilities | - | 689.09 | 1,269.25 | 244.64 | 2,202.98 |
| Trade payables | 39.44 | 22,009.80 | - | - | 22,049.24 |
| Other financial liabilities | - | 2,566.51 | - | - | 2,566.51 |
| | **39.44** | **25,265.40** | **1,269.25** | **244.64** | **26,818.73** |
| **March 31, 2023** | | | | | |
| Lease Liabilities | - | 595.97 | 770.15 | - | 1,366.12 |
| Trade payables | - | 19,914.47 | - | - | 19,914.47 |
| Other financial liabilities | - | 2,245.45 | - | - | 2,245.45 |
| | **-** | **22,755.89** | **770.15** | **-** | **23,526.04** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## 39 Ratios analysis and its elements

| Ratio | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Current ratio | Current Assets | Current Liabilities | 2.16 | 1.96 | 10.01% | - |
| Debt- Equity Ratio | Total Debt | Shareholder's Equity | - | - | - | - |
| Debt Service Coverage ratio | Earnings for debt service[1] | Debt service[2] | 22.30 | 23.19 | (3.86%) | - |
| Return on Equity ratio | Net Profits after taxes | Average Shareholder's Equity | 17.58% | 18.51% | (5.00%) | - |
| Inventory Turnover ratio | Cost of goods sold | Average Inventory | 4.61 | 5.06 | (8.92%) | - |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 6.21 | 5.77 | 7.51% | - |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 3.35 | 2.97 | 12.64% | - |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 3.95 | 4.21 | (6.33%) | - |
| Net Profit ratio | Net Profit | Net sales = Total sales - sales return | 11.85% | 12.29% | (3.63%) | - |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed[3] | 22.25% | 20.90% | 6.49% | - |
| Return on Investment | Interest & fair value gain on investments | Weighted average investments | 7.85% | 4.63% | 69.73% | Improved return on investments in mutual funds has resulted in such increase. |

[1]Net profit after taxes + Non-cash operating expenses (i.e. Depreciation and amortisation, Finance cost, Loss /(gain) on disposal of PPE & ROU etc.)

[2]Interest & Lease Payments

[3]Tangible Net Worth + Deferred Tax Liability

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## 40 Standards notified but not yet effective

There are no standards that are notified and not effective as on date.

## 41 Transactions with companies struck off:

| Name of the struck off companies | Nature of transactions with struck off companies | | Amount of transactions with struck off companies | Balance outstanding | | Relations with struck off company, if any |
|---|---|---|---|---|---|---|
| Pyrotech Electronics Private Limited | Payable - Purchase of Capital Goods | March 31, 2024 | - | March 31, 2024 | - | - |
| | | March 31, 2023 | 3.25 | March 31, 2023 | - | - |
| Paint Shades Private Limited | Receivable - Sale of Goods | March 31, 2024 | - | March 31, 2024 | - | - |
| | | March 31, 2023 | 39.20 | March 31, 2023 | 11.36 | - |
| Prarabdh Commercial India Private Limited | Receivable - Sale of Goods | March 31, 2024 | - | March 31, 2024 | - | - |
| | | March 31, 2023 | 1.98 | March 31, 2023 | (0.04) | - |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 42 Business acquisition:

On April 3, 2023, the Company has acquired 51% stake in Apple Chemie India Private Limited ("ACIPL") for a consideration of 2,933.09 lakhs. Accordingly, effective such date ACIPL has become a subsidiary of the Company. Further, the promoter shareholders of ACIPL (NCI of the subsidiary) have put option for selling balance stake of 49% to the Company at a value to be determined as per the terms of Shareholders Agreement. The fair value of the put option on the date of acquisition of ₹91.20 lakhs has been included in the cost of investments and resultant change in liability is recognised under 'Other expense' during the year.

## 43 Compliance with section 143 (3) for maintenance of books of accounts

With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of accounts and other relevant books and papers. Pursuant to this amendment, the Company is required to maintain the books of accounts which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis. The Company has a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of accounts.

## 44 Compliance with section 143(3) for maintenance of audit trail:

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the application (SAP ECC6) and/or the underlying database (Oracle 19C). Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

## 45 Other statutory information:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 45 Other statutory information: (Contd..)

(v) The Company have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

As per our report of even date.

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

**per Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Independent Auditor's Report

To the Members of
**Indigo Paints Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Indigo Paints Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group, 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 consolidated 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 consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated 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 consolidated 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 consolidated financial statements. The results of audit procedures performed by us and by other auditor of component not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **(a) Revenue from contracts with Customer - Sale of goods** (as described in Note 18 of the consolidated financial statements) | |
| Revenue is recognized when control of the goods is transferred to the customer, which is based on delivery terms, 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 considerations given to the customers. | Our audit procedures included, among others, the following:<br>• We and other auditor evaluated the Group's accounting policies for revenue recognition (including for discounts and rebates) and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'.<br>• We and other auditor obtained an understanding, evaluated the design and tested the operating effectiveness of the internal financial controls relating to revenue recognition process. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| The terms of sales arrangements, including the timing of transfer of control, and the nature of discounts and rebate arrangements/schemes, 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. | • We and other auditor performed analytical procedures on revenue recognised during the year and evaluated unusual variances.<br>• We assessed management's computations for accrual of discounts and rebates and on a sample basis verified the accruals made with the approved schemes and underlying documents.<br>• We compared the historical trend of actualization of discounts/rebates with the estimates considered for current year accruals.<br>• Amongst others, we and other auditor performed the following tests for a sample of transactions:<br>  ◦ 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.<br>  ◦ Tested the supporting documentation for sales transactions recorded during the period closer to the year end to assess that revenue is recognized on transfer of control to the customer, based on delivery terms.<br>  ◦ Compared that the actual discounts/rebates in respect of a particular scheme does not exceed their approval amount.<br>• We assessed the relevant disclosures of Revenue from contracts with Customers made in the consolidated 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 Holding 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group of which we are the independent auditor, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditor. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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 consolidated financial statements for the financial year ended March 31, 2024 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.

**Other Matter**

(a) We did not audit the financial statements and other financial information, in respect of 1 subsidiary, whose financial statements include total assets of ₹ 4,462.15 lakhs as at March 31, 2024, and total revenues of ₹ 5,169.65 lakhs and net cash outflows of ₹ 186.92 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary Company, incorporated in India, as noted in the 'Other Matter' paragraph, there are no qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) report of the Company included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) The other auditor whose report we have relied upon 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 of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who are appointed under Section 139 of the Act, of its subsidiary Company, none of the directors of the Group's Companies incorporated in India, is disqualified as on March 31, 2024 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 consolidated financial statements of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

   (g) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiary, incorporated in India, to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g).

(i) 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 and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 31 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 44 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, respectively that, to the best of its knowledge and belief, as disclosed in the note 44 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiary, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b) As stated in note 12 to the consolidated financial statements, the Board of Directors of the Holding Company, has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

vi. Based on our examination which included test checks and that performed by the respective auditor of the subsidiary which is company incorporated in India whose financial statements have been audited under the Act, the Holding Company and the subsidiary have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except as discussed in note 43 to the financial statements, in case of Holding Company, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights and in case of the subsidiary, non-availability of audit trail feature in the pre-migrated version of the accounting software. Further, during the course of our audit, we and respective auditor of the above referred subsidiary did not come across any instance of audit trail feature being tampered in respect of accounting software where the audit trail has been enabled.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership Number: 135859
UDIN: 24135859BKGWLQ6772

Place of Signature: Mumbai
Date: May 22, 2024

# Annexure 1 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")

In conjunction with our audit of the consolidated financial statements of Indigo Paints Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") , which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Holding Company's internal financial controls with reference to consolidated 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, 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 and the audit evidence obtained by the other auditor in terms of the report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated 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 control with reference to consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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 Group, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to this one subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary, incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sumit Kumar Agrawal**
Partner
Membership Number: 135859
UDIN: 24135859BKGWLQ6772

Place of Signature: Mumbai
Date: May 22, 2024

# Consolidated Balance Sheet as at March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3.1 | 46,816.43 | 17,953.30 |
| Capital work in progress | 3.1 | 1,741.67 | 25,091.30 |
| Right-of-use assets | 3.2 | 6,164.77 | 5,430.38 |
| Goodwill | 3.3 | 3,987.52 | 3,055.20 |
| Other intangible assets | 3.3 | 2,142.94 | 30.56 |
| Financial assets | | | |
| Other financial assets | 5 | 245.02 | 162.90 |
| Income tax assets (net) | | 120.80 | - |
| Other assets | 9 | 3,361.13 | 2,562.74 |
| | | **64,580.28** | **54,286.38** |
| **Current assets** | | | |
| Inventories | 6 | 17,059.38 | 11,765.75 |
| Financial assets | | | |
| a) Investments | 4 | 16,671.30 | 13,168.64 |
| b) Trade receivables | 7 | 22,310.52 | 20,010.96 |
| c) Cash and cash equivalents | 8.1 | 3,291.56 | 4,717.93 |
| d) Bank balances other than cash and cash equivalents | 8.2 | 1.61 | 161.37 |
| e) Other financial assets | 5 | 36.43 | 17.86 |
| Other assets | 9 | 3,091.61 | 2,031.53 |
| | | **62,462.41** | **51,874.04** |
| **TOTAL** | | **1,27,042.69** | **1,06,160.42** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| a) Equity share capital | 10 | 4,762.10 | 4,758.83 |
| b) Other equity | 11.1 | 85,451.53 | 72,853.92 |
| | | **90,213.63** | **77,612.75** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| a) Borrowings | 12.1 | 150.65 | - |
| b) Lease liabilities | 35 | 1,097.36 | 694.31 |
| c) Other financial liabilities | 14 | 4,136.86 | - |
| Other liabilities | 15 | 519.51 | 480.02 |
| Provisions | 16 | 304.99 | 271.72 |
| Deferred tax liabilities (net) | 17 | 2,004.85 | 693.55 |
| | | **8,214.22** | **2,139.60** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| a) Borrowings | 12.2 | 157.42 | - |
| b) Lease liabilities | 35 | 697.49 | 491.22 |
| c) Trade payables - total outstanding dues of: | | | |
| - micro enterprises and small enterprises | 13 | 2,995.81 | 5,465.69 |
| - creditors other than micro enterprises and small enterprises | 13 | 19,902.93 | 14,448.78 |
| d) Other financial liabilities | 14 | 2,695.52 | 2,245.45 |
| Other liabilities | 15 | 1,802.33 | 1,600.52 |
| Provisions | 16 | 346.16 | 684.68 |
| Liabilities for income tax (net) | | 17.18 | 1,471.73 |
| | | **28,614.84** | **26,408.07** |
| **TOTAL** | | **1,27,042.69** | **1,06,160.42** |
| The accompanying notes are an integral part of the financial statements. | 2.1 | | |

As per our report of even date.

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

**per Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | Note | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 18 | 1,30,608.58 | 1,07,333.43 |
| Other income | 19 | 1,421.64 | 1,006.75 |
| **Total income (I)** | | **1,32,030.22** | **1,08,340.18** |
| **Expenses** | | | |
| Cost of raw materials and components consumed | 20 | 68,587.15 | 57,632.77 |
| Purchase of traded goods | | 2,669.62 | 2,056.57 |
| (Increase) in inventories of finished goods and traded goods | 21 | (2,863.26) | (164.41) |
| Employee benefits expense | 22 | 9,947.65 | 7,310.08 |
| Finance costs | 23 | 212.10 | 137.59 |
| Depreciation and amortization expense | 24 | 5,158.32 | 3,434.66 |
| Other expenses | 25 | 28,460.56 | 22,345.18 |
| **Total expenses (II)** | | **1,12,172.14** | **92,752.44** |
| **Profit before tax (III) = (I - II)** | | **19,858.08** | **15,587.74** |
| **Tax expense** | 17 | | |
| Current tax | | 4,349.75 | 4,179.57 |
| Adjustment of tax relating to earlier periods | | 4.82 | (1,632.99) |
| Deferred tax | | 620.68 | (152.78) |
| **Total tax expense** | | **4,975.25** | **2,393.80** |
| **Profit for the year** | | **14,882.83** | **13,193.94** |
| **Other comprehensive income (OCI)** | | | |
| Items not to be reclassified to profit or loss in subsequent periods | | | |
| Re-measurement gain/(loss) on defined benefit plans | 27 | 1.84 | (3.14) |
| Income tax effect | 17 | (0.46) | 0.79 |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **1.38** | **(2.35)** |
| **Total comprehensive income for the year, net of tax** | | **14,884.21** | **13,191.59** |
| **Profit for the year attributable to:** | | | |
| - Equity holders | | 14,731.89 | 13,193.94 |
| - Non controlling interest (refer note 11.2) | | 150.94 | - |
| **Other Comprehensive Income, net of tax attributable to:** | | | |
| - Equity holders | | (2.57) | (2.35) |
| - Non controlling interest (refer note 11.2) | | 3.95 | - |
| **Total Other comprehensive income attributable to:** | | | |
| - Equity holders | | 14,729.32 | 13,191.59 |
| - Non controlling interest (refer note 11.2) | | 154.89 | - |
| **Earnings per equity share (face value ₹10)** | 26 | | |
| - Basic (Amount in ₹) | | 30.95 | 27.73 |
| - Diluted (Amount in ₹) | | 30.87 | 27.67 |

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 Sumit Kumar Agrawai**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Consolidated Statement of Cash flows

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Profit before tax** | 19,858.08 | 15,587.74 |
| **Adjustments to reconcile profit before tax to net cash flows** | | |
| Depreciation and amortization expense | 5,158.32 | 3,434.66 |
| Employee stock option expenses | 697.77 | 860.36 |
| Provision for impairment of financial assets (net) | 236.88 | 46.95 |
| (Gain) on disposal of property, plant and equipment and right-of-use asset (net) | (69.59) | (98.05) |
| Finance costs | 212.10 | 137.59 |
| Dividend on CCCPS | - | 0.10 |
| Fair value gain on financial instruments at fair value through profit or loss | (1,277.66) | (765.05) |
| Interest (income) | (18.73) | (103.69) |
| **Operating profit before working capital changes** | **24,797.17** | **19,100.61** |
| **Working capital adjustments** | | |
| Increase in trade payables and other financial liabilities | 3,102.67 | 922.71 |
| Increase in other liabilities | 149.34 | 52.58 |
| (Decrease)/increase in provisions | (376.29) | 230.95 |
| (Increase) in trade receivables | (1,517.80) | (2,892.66) |
| (Increase)/decrease in inventories | (4,947.74) | 6.18 |
| (Increase) in other assets | (116.10) | (3,349.74) |
| (Increase) in other financial assets | (65.31) | (16.53) |
| **Cash generated from operating activities** | **21,025.94** | **14,054.10** |
| Direct taxes paid (net of refunds) | (5,925.32) | (2,442.79) |
| **Net cash flow from operating activities (A)** | **15,100.62** | **11,611.31** |
| **Cash flows (used in) investing activities** | | |
| Purchase of property, plant and equipment and intangible assets including movement in CWIP, capital advances and capital creditors | (10,436.40) | (19,925.67) |
| Proceeds from sale of property, plant and equipment | 25.46 | 228.07 |
| Investment in subsidiary | (2,933.09) | - |
| Purchase of short term investments | (5,243.32) | (3,000.00) |
| Proceeds from sale of short term investments | 3,119.83 | 7,905.95 |
| Investments in bank deposits (having original maturity of more than three months) | - | (1,438.22) |
| Proceeds from maturity of bank deposits | 280.07 | **7,536.00** |
| Interest received | 20.58 | 253.39 |
| **Net cash flow (used in) investing activities (B)** | **(15,166.87)** | **(8,440.48)** |

# Consolidated Statement of Cash flows

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Cash flows (used in) financing activities | | |
| Proceeds from non-current borrowings | 90.24 | - |
| Proceeds from exercise of share options | 3.27 | 1.93 |
| Proceeds from short-term borrowings (net) | 43.55 | - |
| Payment of principal portion of lease liabilities | (774.28) | (581.03) |
| Dividend paid to shareholders | (1,665.59) | (1,427.07) |
| Interest paid | (20.77) | - |
| **Net cash flow (used in) financing activities (C)** | **(2,323.58)** | **(2,006.17)** |
| **Net increase/(decrease) in cash and cash equivalents (A + B + C)** | **(2,389.83)** | **1,164.66** |
| Cash and cash equivalents at the beginning of the year | 4,717.93 | 3,553.27 |
| Cash and cash equivalents of the acquired Company | 963.46 | - |
| **Cash and cash equivalents at the end of the year** | **3,291.56** | **4,717.93** |
| **Components of cash and cash equivalents** | | |
| Cash on hand | 19.84 | 10.06 |
| Balances with banks | | |
| - on current accounts | 1,671.13 | 4,276.13 |
| - deposits with original maturity of less than three months | 1,600.59 | 431.74 |
| **Total cash and cash equivalents (refer note 8.1)** | **3,291.56** | **4,717.93** |

Refer note 35 for change in liabilities arising from financing activities and for non-cash financing and investing activities.

As per our report of even date.

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

**per Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## a. Equity Share Capital#:

**Equity shares of ₹ 10 each issued, subscribed and fully paid**

| Particulars | No. of Shares | Amount |
|---|---|---|
| **As at April 1, 2022** | **4,75,68,997** | **4,756.90** |
| Issue of shares on exercise of stock options (refer note 11 and 29) | 19,285 | 1.93 |
| **As at March 31, 2023** | **4,75,88,282** | **4,758.83** |
| Issue of shares on exercise of stock options (refer note 11 and 29) | 32,705 | 3.27 |
| **As at March 31, 2024** | **4,76,20,987** | **4,762.10** |

## b. Other Equity#

| Particulars | Attributable to equity shareholders | | | | | Equity attributable to equity holders of the parent | Non-controlling interest (NCI) (refer note 11.2) | Total equity |
|---|---|---|---|---|---|---|---|---|
| | Reserves and surplus | | | | | | | |
| | Securities premium | General reserves | Share based payment reserve | Retained earnings | Other reserves | | | |
| **Balance as at April 1, 2022** | **39,424.05** | **43.78** | **271.58** | **20,489.53** | **-** | **60,228.94** | **-** | **60,228.94** |
| Profit for the year | - | - | - | 13,193.94 | - | 13,193.94 | - | 13,193.94 |
| Other comprehensive income | - | - | - | (2.35) | - | (2.35) | - | (2.35) |
| Exercise of share options (refer note 11 and 29) | 146.80 | - | (146.80) | - | - | - | - | - |
| Share-based payments (refer note 22 and 29) | - | - | 860.36 | - | - | 860.36 | - | 860.36 |
| Dividend on equity shares/ adjustment in CCCPS | - | - | - | (1,426.97) | - | (1,426.97) | - | (1,426.97) |
| **Balance as at March 31, 2023** | **39,570.85** | **43.78** | **985.14** | **32,254.15** | **-** | **72,853.92** | **-** | **72,853.92** |
| **Balance as at April 1, 2023** | **39,570.85** | **43.78** | **985.14** | **32,254.15** | **-** | **72,853.92** | **-** | **72,853.92** |
| NCI portion of the Subsidiary | - | - | - | - | - | - | 2,818.08 | 2,818.08 |
| Profit for the year | - | - | - | 14,731.89 | - | 14,731.89 | 150.94 | 14,882.83 |

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

| Particulars | Attributable to equity shareholders | | | | | Equity attributable to equity holders of the parent | Non-controlling interest (NCI) (refer note 11.2) | Total equity |
|---|---|---|---|---|---|---|---|---|
| | Reserves and surplus | | | | | | | |
| | Securities premium | General reserves | Share based payment reserve | Retained earnings | Other reserves | | | |
| Other comprehensive income | - | - | - | (2.57) | - | (2.57) | 3.95 | 1.38 |
| Fair value adjustment of put option | - | - | - | - | (1,163.89) | (1,163.89) | - | (1,163.89) |
| Adjustment for NCI's carrying value for Put Option | - | - | - | - | - | - | (2,972.97) | (2,972.97) |
| Exercise of share options (refer note 11 and 29) | 392.83 | - | (392.83) | - | - | - | - | - |
| Share-based payments (refer note 22 and 29) | - | - | 697.77 | - | - | 697.77 | - | 697.77 |
| Dividend on equity shares | - | - | - | (1,665.59) | - | (1,665.59) | - | (1,665.59) |
| **Balance as at March 31, 2024** | **39,963.68** | **43.78** | **1,290.08** | **45,317.88** | **(1,163.89)** | **85,451.53** | **-** | **85,451.53** |

# There are no adjustments on account of prior period errors or due to changes in accounting policies.

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 Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 1. Corporate information

The consolidated financial statements comprise financial statements of Indigo Paints Limited (the company) and its subsidiary (collectively, the Group) (CIN: L24114PN2000PLC014669) for the year ended 31 March 2024. Indigo Paints Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune-411045, Maharashtra, India.

The Group is engaged in manufacture and sale of decorative paints, construction chemicals and waterproofing products. Information on other related party relationships of the Group is provided in Note 28. Information on the Group's structure is stated in note 41.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 22, 2024.

## 2.1 Material accounting policies

### (A) Basis of preparation

The consolidated financial statements of the Group 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 CFS.

The Consolidated 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

(iii) Derivative financial instruments (Redemption liability)

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

### (B) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

**Consolidation procedure:**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## (C) Summary of material accounting policies

### a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**b. Current versus non-current classification**

The Group 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 Group 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 Group has identified twelve months as its operating cycle.

**c. Foreign currencies**

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

***Transactions and balances***

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. However, for practical reasons, the Group 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 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).

**d. Fair value measurement**

The Group 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:

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

(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 Group.

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 Group 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 Group 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 Group'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 Group 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.

**e. 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 Group expects to be entitled in exchange for those goods or services. the Group has generally concluded that it is the principal in its revenue arrangements because 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 Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Group 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 Group 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 Group 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 Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group 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 Group 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 Group 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 Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**f. 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.

**g. 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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 Group 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 Group 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.
- In respect of taxable temporary differences associated with investments in subsidiary, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.
- In respect of deductible temporary differences associated with investments in subsidiary, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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.

The Group offsets deferred tax assets and deferred tax 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

*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

(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.

**h. 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 Group 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) |
|---|---|
| Building | 30 to 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 Group, 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

i. **Other intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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.

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 Group'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 |
| Formulations | Finite (10 years) | Amortised on a straight-line basis over the period of the formulations | Acquired |
| Customer contracts | Finite (5 years) | Amortised on a straight-line basis over the period of the customer contracts | Acquired |
| Assembled workforce | Finite (1 years) | Amortised on a straight-line basis over the period of the assembled workforce | Acquired |

j. **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.

k. **Leases**

The Group 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.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

i) *Right-of-use assets*

The Group 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:

a. Leasehold land – upto 99 years

b. Building – upto 10 years

If ownership of the leased asset transfers to the Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 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 Group 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.

***Group as a lessor***

Leases in which the Group 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.

**l. 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:

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

(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.

**m. Impairment of non-financial assets**

The Group 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 Group 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 Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 Group 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 Group 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 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 Group 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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 it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

**n. Provisions**

Provisions are recognised when the Group 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.

**o. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to.

The Group 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 Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group 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 Group 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 Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

statement of profit and loss and are not deferred. The obligations 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.

**p. Share-based payments**

Employees (including senior executives) of the Group 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 Group'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.

**q. 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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group 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 Group'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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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 Group commits to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

(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 Group. 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 Group'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 Group 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 Group's consolidated balance sheet) when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Group 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 group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 group 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 Group could be required to repay.

*Impairment of financial assets*

In accordance with Ind-AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group 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.

For recognition of impairment loss on other financial assets and risk exposure, the Group 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 Group 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 Group in accordance with the contract and all the cash flows that the Group 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 Group 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 Group 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 Group's financial liabilities include trade and other payables, redemption liability towards call/put options, loans and borrowings including bank overdrafts and derivative financial instruments.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

A contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Therefore, in applying Ind AS 32, any contractual obligation to purchase NCI - such as an NCI put- gives rise to a financial liability measured at the present value of the redemption amount which is subsequently measured in accordance with Ind AS 109.

*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 Group 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.

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 Group 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 Group 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 Group. 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.

**r. 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 consolidated 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 Group's cash management.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**s. 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 Parent Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the parent Company.

**t. 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 Group 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.

**u. 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 Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying 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 Group'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 Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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 Group 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 Group 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 Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

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 Group 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 Group considers whether the amount of variable consideration is constrained. The Group 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

***a) 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 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 Group 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 Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis.

***b) Provision for expected credit losses of trade receivables and contract assets***

The Group 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 Group's historical observed default rates. The Group 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 Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

***c) Share-based payments***

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group 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 29.

***d) 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

***e) 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.

***f) Revenue recognition - Estimating variable consideration for returns and volume rebates***

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Group 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 Group.

The Group'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 entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group 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 Group.

The Group 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 Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. Refer note 18 for further details.

***g) Business combination***

judgment is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgment.

These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations.

***h) Leases - Estimating the incremental borrowing rate***

The Group 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 Group 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 Group '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 Group estimates the IBR using observable inputs (such as market interest rates).

## 2.3 Changes in accounting policies and disclosures

Several amendments and interpretations apply for the first time in the year ended March 31, 2024, but do not have a material impact on the financial statements of the Company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## 3.1 Property, plant and equipment (PPE)

| Particulars | Freehold land | Building | Plant and machinery [refer note (i)] | Furniture and fixture | Office equipment | Leasehold improvements | Electrical installations and equipments | Computers and peripherals | Vehicles | Total | Capital Work in progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | | |
| **At April 1, 2022** | **1,439.20** | **8,946.61** | **14,070.96** | **472.13** | **229.21** | **34.60** | **696.42** | **51.06** | **107.82** | **26,048.01** | **5,097.27** |
| Additions | - | 9.50 | 1,963.67 | 15.77 | 28.23 | - | 10.49 | 6.17 | - | 2,033.83 | 22,027.86 |
| Disposals/transfers | - | (112.92) | (82.65) | (44.27) | (4.29) | (34.60) | (16.03) | (0.48) | (2.28) | (297.52) | (2,033.83) |
| **At March 31, 2023** | **1,439.20** | **8,843.19** | **15,951.98** | **443.63** | **253.15** | **-** | **690.88** | **56.75** | **105.54** | **27,784.32** | **25,091.30** |
| Additions on acquisition of subsidiary (Refer note 41) | - | 339.97 | 412.88 | 97.50 | 25.33 | - | 22.77 | 6.51 | 116.38 | 1,021.34 | 4.54 |
| Additions | 250.54 | 4,208.56 | 25,349.53 | 227.63 | 31.63 | - | 1,774.33 | 36.35 | 24.26 | 31,902.83 | 8,590.26 |
| Disposals/transfers | - | - | (85.71) | (0.81) | (0.95) | - | - | (1.37) | (19.83) | (108.67) | (31,944.43) |
| **At March 31, 2024** | **1,689.74** | **13,391.72** | **41,628.68** | **767.95** | **309.16** | **-** | **2,487.98** | **98.24** | **226.35** | **60,599.82** | **1,741.67** |
| **Depreciation** | | | | | | | | | | | |
| **At April 1, 2022** | **-** | **788.44** | **5,770.13** | **138.24** | **52.60** | **34.60** | **271.44** | **38.00** | **34.86** | **7,128.31** | **-** |
| Charge for the year | - | 303.72 | 2,391.86 | 46.74 | 24.45 | - | 81.11 | 8.10 | 14.23 | 2,870.21 | - |
| Disposals/transfers | - | (21.60) | (62.94) | (31.95) | (2.23) | (34.60) | (11.42) | (0.48) | (2.28) | (167.50) | - |
| **At March 31, 2023** | **-** | **1,070.56** | **8,099.05** | **153.03** | **74.82** | **-** | **341.13** | **45.62** | **46.81** | **9,831.02** | **-** |
| Charge for the year | - | 395.62 | 3,314.81 | 70.02 | 35.70 | - | 178.77 | 17.31 | 33.43 | 4,045.66 | - |
| Disposals/transfers | - | - | (76.62) | (0.68) | (0.66) | - | - | (1.37) | (13.96) | (93.29) | - |
| **At March 31, 2024** | **-** | **1,466.18** | **11,337.24** | **222.37** | **109.86** | **-** | **519.90** | **61.56** | **66.28** | **13,783.39** | **-** |
| **Net block** | | | | | | | | | | | |
| **At March 31, 2023** | **1,439.20** | **7,772.63** | **7,852.93** | **290.60** | **178.33** | **-** | **349.75** | **11.13** | **58.73** | **17,953.30** | **25,091.30** |
| **At March 31, 2024** | **1,689.74** | **11,925.54** | **30,291.44** | **545.58** | **199.30** | **-** | **1,968.08** | **36.68** | **160.07** | **46,816.43** | **1,741.67** |

### Notes

i. Plant and machinery includes equipments installed at customers location given under operating lease arrangements (refer note 34). The carrying value of such assets are as below:

| Particulars | Opening Gross block | Addition | Disposal | Closing gross block | Opening accumulated depreciation | Charge for the year | Disposal | Closing accumulated depreciation | Net block |
|---|---|---|---|---|---|---|---|---|---|
| **At March 31, 2023** | **8,479.29** | **1,812.20** | **(32.00)** | **10,259.49** | **3,839.24** | **1,777.59** | **(25.32)** | **5,591.51** | **4,667.98** |
| **At March 31, 2024** | **10,259.49** | **2,295.56** | **(53.57)** | **12,501.48** | **5,591.51** | **1,869.60** | **(53.57)** | **7,407.54** | **5,093.94** |

ii. The Capital work in progress (CWIP) consists of construction of building and expenditure towards plant and machinery at its manufacturing facilities.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE) (Contd..)

### CWIP ageing schedule as at March 31, 2024

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| - Manufacturing facility at Jodhpur | 1,366.36 | 4.04 | - | - | 1,370.40 |
| - Manufacturing facility at Pudukkottai | 19.65 | - | - | - | 19.65 |
| - Others | 332.30 | 14.78 | 4.54 | - | 351.62 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **1,718.31** | **18.82** | **4.54** | **-** | **1,741.67** |

### CWIP ageing schedule as at March 31, 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | |
| - Manufacturing facility at Pudukkottai | 20,136.03 | 4,697.43 | 92.41 | - | 24,925.87 |
| - Others | 155.83 | - | 9.60 | | 165.43 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **20,291.86** | **4,697.43** | **102.01** | **-** | **25,091.30** |

### CWIP completion schedule as at March 31, 2024

There are no projects as on March 31, 2024 whose completion is overdue or has exceeded its cost compared to its original plan.

### CWIP completion schedule as at March 31, 2023

| CWIP | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Expansion of existing manufacturing facility at Pudukkottai | 24,925.87 | - | - | - | 24,925.87 |

## 3.2 Right of use assets

| Particulars | Leasehold land | Leased Building | Total |
|---|---|---|---|
| Cost | | | |
| **At April 1, 2022** | **2,254.61** | **2,457.93** | **4,712.54** |
| Additions | 2,265.28 | 445.81 | 2,711.09 |
| Disposals/transfers | - | (88.79) | (88.79) |
| **At March 31, 2023** | **4,519.89** | **2,814.95** | **7,334.84** |
| Additions on acquisition (refer note 41) | 185.30 | 140.77 | 326.07 |
| Additions | - | 1,257.90 | 1,257.90 |
| Disposals/transfers | - | (270.04) | (270.04) |
| **At March 31, 2024** | **4,705.19** | **3,943.58** | **8,648.77** |

### 3.2 Right of use assets (Contd..)

| Particulars | Leasehold land | Leased Building | Total |
|---|---|---|---|
| **Depreciation** | | | |
| **At April 1, 2022** | **81.62** | **1,310.49** | **1,392.11** |
| Charge for the year | 32.86 | 523.77 | 556.63 |
| Disposals/transfers | - | (44.28) | (44.28) |
| **At March 31, 2023** | **114.48** | **1,789.98** | **1,904.46** |
| Charge for the year | 52.57 | 678.37 | 730.94 |
| Disposals/transfers | - | (151.40) | (151.40) |
| **At March 31, 2024** | **167.05** | **2,316.95** | **2,484.00** |
| **Net block** | | | |
| **At March 31, 2023** | **4,405.41** | **1,024.97** | **5,430.38** |
| **At March 31, 2024** | **4,538.14** | **1,626.63** | **6,164.77** |

Refer note 35 for further disclosures on leases.

### 3.3 Intangible assets

| Particulars | Goodwill [Note (i)] | Computer software | Formulations | Customer contracts | Assembled workforce | Total intangible assets |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **At April 1, 2022** | **3,055.20** | **70.51** | **-** | **-** | **-** | **3,125.71** |
| Additions | - | - | - | - | - | - |
| Disposals/transfers | - | - | - | - | - | - |
| **At March 31, 2023** | **3,055.20** | **70.51** | **-** | **-** | **-** | **3,125.71** |
| Additions on acquisition (refer note 41) | 932.32 | - | 1,876.70 | 489.80 | 86.00 | 3,384.82 |
| Additions | - | 41.60 | - | - | - | 41.60 |
| Disposals/transfers | - | - | - | - | - | - |
| **At March 31, 2024** | **3,987.52** | **112.11** | **1,876.70** | **489.80** | **86.00** | **6,552.13** |
| **Amortization** | | | | | | |
| **At April 1, 2022** | **-** | **32.13** | **-** | **-** | **-** | **32.13** |
| Charge for the year | - | 7.82 | - | - | - | 7.82 |
| Disposals/transfers | - | - | - | - | - | - |
| **At March 31, 2023** | **-** | **39.95** | **-** | **-** | **-** | **39.95** |
| Amortisation for the year | - | 10.09 | 187.67 | 97.96 | 86.00 | 381.72 |
| Disposals/transfers | - | - | - | - | - | - |
| **At March 31, 2024** | **-** | **50.04** | **187.67** | **97.96** | **86.00** | **421.67** |
| **Net block** | | | | | | |
| **At March 31, 2023** | **3,055.20** | **30.56** | **-** | **-** | **-** | **3,085.76** |
| **At March 31, 2024** | **3,987.52** | **62.07** | **1,689.03** | **391.84** | **-** | **6,130.46** |

**Note (i): Impairment testing of goodwill**

Goodwill represents the cost of acquired business established at the date of acquisition of the business in excess of the acquired interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses (if any). Allocation of goodwill to cash generating unit are as follows:

| Cash generating units | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Apple Chemie India Private Limited (ACIPL) | 932.32 | - |
| Hi-Build Coating Private Limited (HBC) | 3,055.20 | 3,055 |
| | **3,987.52** | **3,055.20** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

### 3.3 Intangible assets (Contd..)

a. As at March 31, 2024, goodwill of ₹ 932.32 lakhs has been allocated to ACIPL. The recoverable amount of the ACIPL has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 10%. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

b. As at the March 31, 2024, the carrying amount of goodwill is ₹ 3,055.20 lakhs (March 31, 2023: ₹ 3,055.20) (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) and acquired in current year. 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 pre-tax discount rate applied to cash flow projections for impairment testing during March 31, 2024: 10% (March 31, 2023: 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 at March 31, 2024, there were no indicators of impairment noted by management.

The Company constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Company. The Company will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions should a change be required.

## 4 Investments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Current investments** | | |
| **Investments at fair value through profit or loss** | | |
| Investments in mutual funds (unquoted funds) | 16,670.39 | 13,168.64 |
| **Investments at amortised cost** | | |
| Investment in National Savings Certificate (unquoted)* | 0.91 | - |
| **Total current investments** | **16,671.30** | **13,168.64** |
| **Aggregate amount of quoted investments and market value thereof** | **16,671.30** | **13,168.64** |

Also refer note 36 for determination of fair values.

* Pledged with sales tax authorities.

## 5 Other financial assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-Current** | | |
| **Financial Instruments at amortised cost** | | |
| Security deposits | 242.97 | 161.95 |
| Bank deposits with original maturity of more than twelve months (refer note 8) | 2.05 | 0.95 |
| **Total other non-current financial assets** | **245.02** | **162.90** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 5 Other financial assets (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Current** | | |
| **Financial Instruments at amortised cost** | | |
| Security deposits | 19.08 | 17.86 |
| Incentive receivable from government authorities | 16.08 | - |
| Other financial assets | 1.27 | - |
| **Total other current financial assets** | **36.43** | **17.86** |

## 6 Inventories (valued at lower of cost and net realizable value)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Raw materials and components* | 6,877.81 | 4,518.30 |
| Finished goods# | 9,528.27 | 6,884.07 |
| Traded goods# | 653.30 | 363.38 |
| **Total inventories** | **17,059.38** | **11,765.75** |

* includ es goods in transit ₹ 419.31 lakhs (March 31, 2023: ₹ 442.29 lakhs)

# includes sales in transit ₹ 445.90 lakhs (March 31, 2023: ₹ 219.50 lakhs)

For the year ended March 31, 2024 ₹(53.30) lakhs [(March 31, 2023 ₹ (12.29) lakhs)] was recognised (net of reversals) as an (income) for finished goods inventories carried at net realisable value. These were recognised as an (income) during the year and included in cost of raw materials and components consumed in the Statement of profit and loss.

## 7 Trade receivables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade receivables | 22,310.52 | 20,010.96 |
| **Break-up for security details:** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 22,290.10 | 19,906.18 |
| Trade receivables which have significant increase in credit risk | 486.08 | 266.78 |
| Trade receivables - credit impaired | - | - |
| | **22,776.18** | **20,172.96** |
| **Impairment allowance (allowance for bad and doubtful debts)** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | (242.42) | (55.15) |
| Trade receivables which have significant increase in credit risk | (223.24) | (106.85) |
| Trade Receivables - credit impaired | - | - |
| | **(465.66)** | **(162.00)** |
| | **22,310.52** | **20,010.96** |

**Trade receivables ageing schedule as at March 31, 2024**

| Particulars | Outstanding for following periods from due date of invoice | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables - considered good | 21,635.95 | 351.11 | 143.16 | 128.99 | 30.89 | 22,290.10 |
| (ii) Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 7 Trade receivables (Contd..)

| Particulars | Outstanding for following periods from due date of invoice | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (iii) Undisputed trade receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed trade receivables - considered good | - | - | - | - | - | - |
| (v) Disputed trade receivables - which have significant increase in credit risk | 3.34 | 36.26 | 213.04 | 66.69 | 166.75 | 486.08 |
| (vi) Disputed trade receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **21,639.29** | **387.37** | **356.20** | **195.68** | **197.64** | **22,776.18** |
| (Less): Impairment allowance | | | | | | (465.66) |
| **Total** | | | | | | **22,310.52** |

**Trade receivables ageing schedule as at March 31, 2023**

| Particulars | Outstanding for following periods from due date of invoice | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed trade receivables - considered good | 19,501.51 | 286.17 | 85.20 | 9.33 | 23.97 | 19,906.18 |
| (ii) Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed trade receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed trade receivables - considered good | - | - | - | - | - | - |
| (v) Disputed trade receivables - which have significant increase in credit risk | 21.96 | 31.12 | 41.03 | 12.33 | 160.34 | 266.78 |
| (vi) Disputed trade receivables - credit impaired | - | - | - | - | - | - |
| **Total** | **19,523.47** | **317.29** | **126.23** | **21.66** | **184.31** | **20,172.96** |
| Less: Impairment allowance | | | | | | (162.00) |
| **Total** | | | | | | **20,010.96** |

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. The Company has considered invoice date for the purpose of ageing of trade receivables.

There are no unbilled receivables.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| At the beginning of the year | 162.00 | 150.00 |
| Add: Acquired through acquisition of subsidiary (refer note 41) | 78.96 | (34.95) |
| (Less): Bad debts/ write off | (12.18) | 115.05 |
| | 228.78 | 46.95 |
| Add: Provision made during the year | 242.97 | - |
| (Less): Utilized /reversed during the year | (6.09) | - |
| At the end of the year | **465.66** | **162.00** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 8 Cash and bank balances

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **8.1 Cash and cash equivalents** | | |
| Balance with Banks | | |
| - on current accounts# | 1,671.13 | 4,276.13 |
| - deposits with original maturity of less than three months@ | 1,600.59 | 431.74 |
| Cash on hand | 19.84 | 10.06 |
| **Total cash and cash equivalents** | **3,291.56** | **4,717.93** |
| **8.2 Bank balances other than cash and cash equivalents** | | |
| Other bank balances | | |
| Balance in unpaid dividend account* | 0.51 | 0.12 |
| Deposits with original maturity of more than three months but less than twelve months@ | 1.10 | 161.25 |
| Deposits with original maturity of more than twelve months@ | 0.95 | 0.95 |
| Less: Amount disclosed under other financial assets (refer note 5) | (0.95) | (0.95) |
| **Total bank balances other than cash and cash equivalents** | **1.61** | **161.37** |
| | **3,293.17** | **4,879.30** |

# includes ₹ Nil (March 31, 2023: ₹ 5.26 lakhs) earmarked as monitoring account balance towards unutilized IPO proceeds.

@ includes ₹ Nil (March 31, 2023: ₹ 159.12 lakhs) earmarked as bank deposits towards unutilized IPO proceeds.

* Earmarked for payment of unclaimed dividend.

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.

## 9 Other assets

(Unsecured, considered good unless otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current** | | |
| Capital advances | 1,903.48 | 223.42 |
| Balance with statutory/government authorities# | 1,457.24 | 2,339.32 |
| Prepaid expenses | 0.41 | - |
| **Total other non-current assets** | **3,361.13** | **2,562.74** |
| **Current** | | |
| Advance to vendors | 88.24 | 406.81 |
| Prepaid expenses | 460.51 | 171.26 |
| Prepaid employee benefits (refer note 27) | - | 10.06 |
| Employee advances | 21.24 | 17.92 |
| Balance with statutory/government authorities# | 2,521.62 | 1,425.48 |
| **Total other current assets** | **3,091.61** | **2,031.53** |

#Balance with statutory/government authorities includes balance related to VAT and goods and services tax.

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 10 Equity share capital

### A. Authorised share capital

| Particulars | Equity shares | |
|---|---|---|
| | No. of Shares | Amount |
| **As at April 1, 2022** | **7,00,00,000** | **7,000.00** |
| Increase during the year | - | - |
| **As at March 31, 2023** | **7,00,00,000** | **7,000.00** |
| Increase during the year | - | - |
| **As at March 31, 2024** | **7,00,00,000** | **7,000.00** |

### B. Reconciliation of the shares outstanding at the beginning and at the end of year

| Particulars | Equity shares | |
|---|---|---|
| | No. of Shares | Amount |
| **Issued, subscribed and fully paid up equity shares of ₹ 10 each:** | | |
| **As at April 1, 2022** | **4,75,68,997** | **4,756.90** |
| Issue of shares on exercise of stock options (refer note 29) | 19,285 | 1.93 |
| **As at March 31, 2023** | **4,75,88,282** | **4,758.83** |
| Issue of shares on exercise of stock options (refer note 29) | 32,705 | 3.27 |
| **As at March 31, 2024** | **4,76,20,987** | **4,762.10** |

### C. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share (March 31, 2023: ₹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 (refer note 12).

### D. Details of shareholding more than 5% shares in the Company

| Name of the shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Nos. | % holding | Nos. | % holding |
| **Equity shares of ₹ 10 each fully paid** | | | | |
| Hemant Jalan | 85,67,500 | 17.99% | 85,67,500 | 18.00% |
| Anita Jalan | 69,87,500 | 14.67% | 69,87,500 | 14.68% |
| Kamalaprasad Jalan | 35,48,545 | 7.45% | 35,48,545 | 7.46% |
| Halogen Chemicals Private Limited - India | 49,58,070 | 10.41% | 49,58,070 | 10.42% |
| Peak XV Partners Investments IV (formerly Sequoia Capital India Investments IV) - Mauritius | 57,79,480 | 12.14% | 57,79,480 | 12.14% |
| Peak XV Partners Investments V (formerly SCI Investments V) - Mauritius | 62,34,155 | 13.09% | 62,34,155 | 13.10% |

### E. Details of shares held by promoter group

**Equity shares of ₹10 each fully paid**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Hemant Jalan** | | |
| % | **17.99%** | **18.00%** |
| No. of shares | 85,67,500 | 85,67,500 |
| % change during the year | (0.01%) | (0.01%) |
| **Anita Jalan** | | |
| % | **14.67%** | **14.68%** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 10 Equity share capital (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| No. of shares | 69,87,500 | 69,87,500 |
| % change during the year | (0.01%) | (0.01%) |
| **Kamalaprasad Jalan** | | |
| % | **7.45%** | **7.46%** |
| No. of shares | 35,48,545 | 35,48,545 |
| % change during the year | (0.01%) | - |
| **Parag Jalan** | | |
| % | **3.41%** | **3.41%** |
| No. of shares | 16,25,000 | 16,25,000 |
| % change during the year | - | (0.01%) |
| **Halogen Chemicals Private Limited** | | |
| % | **10.41%** | **10.42%** |
| No. of shares | 49,58,070 | 49,58,070 |
| % change during the year | (0.01%) | - |

## 11.1 Other equity

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Reserves and surplus** | | |
| **Securities premium** | | |
| Opening balance | 39,570.85 | 39,424.05 |
| Add: Transferred from share based payment reserve | 392.83 | 146.80 |
| **Closing balance** | **39,963.68** | **39,570.85** |
| **General reserve** | | |
| Opening balance | 43.78 | 43.78 |
| **Closing balance** | **43.78** | **43.78** |
| **Share based payment reserve** | | |
| Opening balance | 985.14 | 271.58 |
| Add: Compensation for options granted during the year (refer note 22 and 29) | 697.77 | 860.36 |
| Less: Exercise of share options | (392.83) | (146.80) |
| **Closing balance** | **1,290.08** | **985.14** |
| **Retained earnings** | | |
| Opening balance | 32,254.15 | 20,489.53 |
| Add: Profit for the year | 14,731.89 | 13,193.94 |
| Add: Dividend on CCCPS | - | 0.10 |
| Less: Dividend paid during the year (refer note 12) | (1,665.59) | (1,427.07) |
| **Items of other comprehensive income recognised directly in retained earnings:** | | |
| Re-measurement (loss) on defined benefit plans, net of tax ₹0.46 lakhs (March 31, 2023 ₹ (0.79) lakhs) | (2.57) | (2.35) |
| **Closing balance** | **45,317.88** | **32,254.15** |
| **Other reserves** | | |
| Opening balance | - | - |
| Less : Fair value adjustment of put option (Redemption liability) | (1,163.89) | - |
| **Closing balance** | **(1,163.89)** | **-** |
| **Total other equity** | **85,451.53** | **72,853.92** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 11.1 Other equity (Contd..)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Reserves and surplus** | | |
| **Securities premium** | | |
| Opening balance | 39,570.85 | 39,424.05 |
| Add: Transferred from share based payment reserve | 392.83 | 146.80 |
| **Closing balance** | **39,963.68** | **39,570.85** |
| **General reserve** | | |
| Opening balance | 43.78 | 43.78 |
| **Closing balance** | **43.78** | **43.78** |
| **Share based payment reserve** | | |
| Opening balance | 985.14 | 271.58 |
| Add: Compensation for options granted during the year (refer note 22 and 29) | 697.77 | 860.36 |
| Less: Exercise of share options | (392.83) | (146.80) |
| **Closing balance** | **1,290.08** | **985.14** |
| **Retained earnings** | | |
| Opening balance | 32,254.15 | 20,489.53 |
| Add: Profit for the year | 14,865.26 | 13,193.94 |
| Add: Dividend on CCCPS | - | 0.10 |
| Less: Dividend paid during the year (refer note 12) | (1,665.59) | (1,427.07) |
| **Items of other comprehensive income recognised directly in retained earnings:** | | |
| Re-measurement (loss) on defined benefit plans, net of tax ₹(1.95) lakhs [March 31, 2023 ₹ (0.79) lakhs] | (6.68) | (2.35) |
| **Closing balance** | **45,447.14** | **32,254.15** |
| **Total other equity** | **86,744.68** | **72,853.92** |

**Securities premium account -** This represents the amount received in excess of par value of equity shares.

**General reserve -** Represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act 1956.

**Share based payment 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.

**Retained earnings -** Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

**Other reserves -** This represents impact of fair value of put option liability towards acquisition of subsidiary.

## 11.2 Non-controlling interest

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | - | - |
| **NCI portion of subsidiary (refer note 41)** | 2,818.08 | - |
| Add: share of profit for the year | 150.94 | - |
| Add: share of other comprehensive income | 3.95 | - |
| **Adjustment for NCI's carrying value for Put Option (Redemption liability)** | (2,972.97) | - |

The Group has invested in 51% share of Apple Chemie India Private Limited ("ACIPL) (refer Note 41), As a result, the Holding Company holds control in ACIPL and the interest in ACIPL is accounted for using the acquisition method in consolidated financial statements. Accordingly, Proportion of equity interest held by non-controlling interests in ACIPL is 49%.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**Financial information of subsidiary (ACIPL) that have material non-controlling interests is provided below:**

| A) Summarised balance sheet | As at March 31, 2024 |
|---|---|
| **Current assets** | |
| Cash and cash equivalents | 26.54 |
| Other current assets | 3,274.40 |
| **Total current assets (A)** | **3,300.94** |
| **Total non-current assets (B)** | **4,971.23** |
| **Non-current liabilities** | |
| Financial liabilities | 224.83 |
| Other Non-current liabilities | 742.03 |
| **Total Non-current liabilities (C)** | **966.86** |
| Current liabilities | |
| Financial liabilities | 1,172.75 |
| Other current liabilities | 65.29 |
| **Total current liabilities (D)** | 1,238.04 |
| **Net assets E = (A+B-C-D)** | **6,067.27** |
| **Goodwill arising on acquisition (G)** | |
| **Accumulated non-controlling interests (49%)** | **2,972.97** |

The information disclosed reflects the amounts presented in the financial statements of the relevant subsidiary and not Holding Company's share of those amounts.

| B) Summarised Statement of Profit and Loss | April 03, 2023 to March 31, 2024 |
|---|---|
| Total income | 5,248.31 |
| Less: | |
| Cost of raw materials and components consumed including changes in inventories | 3,032.40 |
| Employee benefits expenses | 714.74 |
| Finance costs | 53.03 |
| Depreciation and amortisation expenses | 141.01 |
| Other expenses | 893.95 |
| **Profit before tax** | **413.18** |
| Tax expenses | 105.14 |
| **Profit for the period** | **308.04** |
| Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax | 8.06 |
| **Total comprehensive income for the period** | **316.10** |
| **Attributable to non-controlling interests** | **154.89** |

| C) Summarised Cash Flow Information | As at March 31, 2024 |
|---|---|
| Operating activities | (90.09) |
| Investing activities | (883.37) |
| Financing activities | 786.54 |
| **Net (decrease) in Cash and Cash Equivalents** | **(186.92)** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 11.3 Distribution made and proposed

The Company has in the board meeting dated May 22, 2024, proposed a dividend of ₹1,666.73 lakhs (March 31, 2023: ₹1,665.59 lakhs).

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Dividend declared and paid** | | |
| Dividend for the year ended on March 31, 2023: ₹3.50 per share (March 31, 2022: ₹3 per share) | 1,665.59 | 1,427.07 |
| | **1,665.59** | **1,427.07** |
| **Proposed dividends on equity shares:** | | |
| Proposed dividend for the year ended on March 31, 2024: ₹3.50 per share (March 31, 2023: ₹3.50 per share) | 1,666.73 | 1,665.59 |
| | **1,666.73** | **1,665.59** |

## 12 Borrowings

### 12.1 Non-current borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Term loans (secured)** | | |
| From banks | 167.63 | - |
| From non banking financial company | 6.74 | - |
| **Term loans (unsecured)** | | |
| From non banking financial company | 54.04 | - |
| | **228.41** | **-** |
| Less: Amount disclosed under the head -current borrowings | | |
| - Current maturities of long-term debt (refer note 12.2) | (77.76) | - |
| **Total non-current borrowings** | **150.65** | **-** |

**Details of securities and terms of repayments of loans**

**I Secured term loan**

***a. Loan from Bank***

Term Loan from Bank is secured by exclusive charge on all the current assets of the Subsidiary Company both present and future, Corporate guarantee of Holding company and all movable and immovable assets situated at Plot no. A-12-27, Butibori Industrial Area, Village Bidganeshpur, Nagpur- 441122 and Factory Land and Building situated at B- 6/1, 6/2, 6/3, MIDC, Butibori, Nagpur- 441122. The total tenure of the term loan is 3 years and remaining maturity of the loan as on March 31, 2024 is 2 years and 8 months. It carries interest at 9.40% p.a. (1 month MCLR+ 0.65%).

***b. Loan from Non Banking Financial Company***

Loan from Non Banking Financial Company is secured by first charge by way of hypothecation of vehicle. Total tenure of the loan is 3 years and remaining maturity of the loan as on March 31, 2024 is 1 year and 7 months. Rate of interest on the same is 9.27% p.a.

**II Unsecured term loan**

Loan from Non Banking Financial Company

Total tenure of the loan is 3 years and remaining maturity of the loan as on March 31, 2024 is 1 year and 3 months. Rate of interest on the same is 8.58% p.a.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

### 12.2 Current Borrowings

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Cash credit facility | 13.22 | - |
| Bill discounting | 66.44 | - |
| Current maturities of long-term debt (refer note 12.1) | 77.76 | - |
| **Total current borrowings** | **157.42** | **-** |

**Details of securities and terms of repayments of loans**

Cash credit facility from bank is secured by way of exclusive charge on all the current assets of the Subsidiary Company both present and future, corporate guarantee of Indigo Paints Limited and all movable and immovable assets situated at Plot no. A-12-27, Butibori Industrial Area, Village Bidganeshpur, Nagpur- 441122 and Factory Land and Building situated at B- 6/1, 6/2, 6/3, MIDC, Butibori, Nagpur- 441122

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at balance sheet date.

## 13 Trade payables

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| - total outstanding dues of micro enterprises and small enterprises (refer note 32) | 2,995.81 | 5,465.69 |
| - total outstanding dues of creditors others than micro enterprises and small enterprises | 19,902.93 | 14,448.78 |
| **Total trade payables** | **22,898.74** | **19,914.47** |

**Terms and conditions of the above financial liabilities:**

a. Trade payables are non-interest bearing and are normally settled on 60-90 days terms.

b. For explanations on the Company's financial risk management processes, refer to note 38.

**Trade payables ageing schedule as at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Micro enterprises and small enterprises | 2,727.76 | 268.05 | - | - | - | 2,995.81 |
| (ii) Others | 10,709.59 | 3,777.79 | 42.79 | 0.18 | 0.72 | 14,531.07 |
| (iii) Disputed dues - Micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | 1.72 | 1.72 |
| **Subtotal** | **13,437.35** | **4,045.84** | **42.79** | **0.18** | **2.44** | **17,528.60** |
| Unbilled | | | | | | 5,370.14 |
| **Total** | | | | | | **22,898.74** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**Trade payables ageing schedule as at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Micro enterprises and small enterprises | 4,964.40 | 498.86 | - | 2.43 | - | 5,465.69 |
| (ii) Others | 8,888.64 | 1,242.73 | 2.04 | 1.07 | - | 10,134.48 |
| (iii) Disputed dues - Micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Subtotal** | **13,853.04** | **1,741.59** | **2.04** | **3.50** | **-** | **15,600.17** |
| Unbilled | | | | | | 4,314.30 |
| **Total** | | | | | | **19,914.47** |

## 14 Other financial liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non current** | | |
| Redemption liability (refer note 41) | 4,136.86 | - |
| **Total other non-current financial liabilities** | **4,136.86** | **-** |
| **Current** | | |
| Interest accrued and due on borrowings | 1.41 | - |
| Payables for property, plant and equipment, intangible assets and capital work in progress | 896.19 | 1,061.14 |
| Payable to employees* | 1,743.64 | 1,143.39 |
| Security deposits | 43.27 | 40.80 |
| Others (including bank charges payable) | 10.50 | - |
| Unclaimed dividend | 0.51 | 0.12 |
| **Total other current financial liabilities** | **2,695.52** | **2,245.45** |

* Including ₹ 28.87 lakhs due to KMPs (March 31, 2023: ₹ 28.77 lakhs), refer note 28.

## 15 Other liabilities

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non current** | | |
| Deferred revenue (refer note 3, 18 and 34) | 519.51 | 480.02 |
| **Total other non-current liabilities** | **519.51** | **480.02** |
| **Current** | | |
| Advance from customers (contract liabilities) | 421.12 | 325.70 |
| Deferred revenue (refer note 3, 18 and 34) | 274.87 | 244.71 |
| Statutory dues payables* | 1,106.34 | 1,030.11 |
| **Total other current liabilities** | **1,802.33** | **1,600.52** |

* Statutory dues payable includes payable on account of provident fund, tax deducted at source, goods and services tax etc.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 16 Provisions

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-Current** | | |
| Provision for long term sales scheme | 266.39 | 271.72 |
| Provision for gratuity (refer note 27) | 38.60 | - |
| | **304.99** | **271.72** |
| **Current** | | |
| Provision for gratuity (refer note 27) | 21.23 | - |
| Provision for leave encashment | 141.88 | 265.61 |
| Provision for long term sales scheme | 183.05 | 419.07 |
| | **346.16** | **684.68** |
| **Total provisions** | **651.15** | **956.40** |

In pursuance of Ind AS 37- ' Provisions, contingent liabilities and contingent assets' the provisions required have been incorporated in the following manner:

**Movement in provision for long term sales incentive**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **At the beginning of the year** | 690.79 | 475.04 |
| (Less): payments during the year | (419.07) | - |
| Add: Provision made during the year (net) | 170.36 | 195.93 |
| Add: Accretion of interest | 7.36 | 19.82 |
| **At the end of the year** | **449.44** | **690.79** |
| Non-current liabilities | 266.39 | 271.72 |
| Current liabilities | 183.05 | 419.07 |

Long term sales scheme 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 2020-21.

## 17 Income taxes

**(A)** The major components of income tax expense for the year ended March 31, 2024 and year ended March 31, 2023 are:

**Statement of profit and loss**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Current income tax:** | | |
| Current income tax charge | 4,349.75 | 4,179.57 |
| Adjustment of tax relating to earlier periods | 4.82 | (1,632.99) |
| **Deferred tax** | | |
| Relating to origination and reversal of temporary differences | 620.68 | (152.78) |
| **Income tax expense reported in the Statement of profit and loss** | **4,975.25** | **2,393.80** |

**(B) Deferred tax related to items recognised in other comprehensive income**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Remeasurements of defined benefit asset | 0.46 | (0.79) |
| | **0.46** | **(0.79)** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

**(C) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Accounting profit before tax | 19,858.08 | 15,587.74 |
| **Tax as per India's statutory income tax rate of 25.17% (March 31, 2023: 25.17%)** | **4,998.28** | **3,923.43** |
| Indexed cost of investments | (107.51) | - |
| Adjustment of tax relating to earlier periods | 4.82 | (1,632.99) |
| Non-deductible expenses for tax purposes | 64.99 | 102.94 |
| Others | 14.67 | 0.42 |
| **Income tax expense reported in the Statement of profit and loss** | **4,975.25** | **2,393.80** |

**(D) Deferred tax (liabilities)**

(₹ in Lakh)

| Particulars | Balance sheet | |
|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 |
| **Deferred tax relates to the following** | | |
| Accelerated depreciation/ amortization for tax purposes | (2,211.66) | (893.35) |
| Change in fair value of financial instruments | (401.50) | (231.22) |
| Disallowances towards expenditure to be allowed in subsequent period | 534.02 | 341.67 |
| ICDS related allowances/ disallowances | 28.07 | 43.68 |
| Leased assets and liabilities (net) | 43.21 | 40.41 |
| On items recognized in OCI | 5.72 | 5.26 |
| **Net deferred tax (liabilities)** | **(2,004.85)** | **(693.55)** |

(₹ in Lakh)

| Particulars | Statement of profit and loss & OCI | |
|---|---|---|
| | Year ended March 31, 2024 | Year Ended March 31, 2023 |
| **Deferred tax relates to the following (including acquired on acquisition)** | | |
| Accelerated depreciation/ amortization for tax purposes | 628.15 | (110.97) |
| Change in fair value of financial instruments | 170.28 | 77.80 |
| Disallowances towards expenditure to be allowed in subsequent period | (189.64) | (103.79) |
| ICDS related allowances/ disallowances | 15.61 | (1.54) |
| Leased assets and liabilities (net) | (2.80) | (15.86) |
| On items recognized in OCI | (0.46) | 0.79 |
| **Net deferred tax (liabilities)** | **621.14** | **(153.57)** |

**Reconciliation of deferred tax liabilities (net)**

(₹ in Lakh)

| | Year ended March 31, 2024 | Year Ended March 31, 2023 |
|---|---|---|
| **Opening balance** | 693.55 | 847.12 |
| Add: Acquired in acquisition of subsidiary (refer note 41) | 690.16 | - |
| Tax expense/(income) during the year recognised in profit or loss | 620.68 | (152.78) |
| Tax expense/(income) during the year recognised in OCI | 0.46 | (0.79) |
| **Closing balance** | **2,004.85** | **693.55** |

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 18 Revenue from operations

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Revenue from contracts with customers (At a point in time)** | | |
| Sale of goods | 1,30,037.81 | 1,06,832.76 |
| Sales of services | 0.35 | - |
| **Total revenue from contracts with customers** | **1,30,038.16** | **1,06,832.76** |
| **Other operating revenue** | | |
| Scrap sales | 259.16 | 214.54 |
| Amortisation of deferred revenue (also refer note 3, 15 and 34) | 294.07 | 286.13 |
| Incentive Income | 17.19 | - |
| **Total other operating revenue** | **570.42** | **500.67** |
| **Total revenue from operations** | **1,30,608.58** | **1,07,333.43** |

**Disclosure pursuant to Ind AS 115: Revenue from contract with customers**

### A Disaggregated revenue

**(i) Revenue by geographical market**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Within India | 1,30,296.71 | 1,07,013.04 |
| Outside India | 311.87 | 320.39 |
| | **1,30,608.58** | **1,07,333.43** |

### B Contract balances

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Advance from customers (note 15) | 421.12 | 325.70 |
| Trade receivables (note 7) | 22,310.52 | 20,010.96 |

### C Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Advance from customers (note 15) | 327.53 | 256.84 |

### D Reconciling the amount of revenue from contracts with customers recognised in the statement of profit and loss with the contracted price

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Gross revenue (Invoicing as per contracted price) | 1,57,763.60 | 1,25,658.27 |
| - Discounts and rebates | (27,335.08) | (18,665.89) |
| - Changes in revenue due to performance obligations (net) | (390.36) | (159.62) |
| **Net revenue from contract with customers** | **1,30,038.16** | **1,06,832.76** |

## 19 Other income

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Interest income from financial assets carried at amortised cost | | |
| - Bank deposits | 18.73 | 103.69 |
| Fair value gain on financial instruments at fair value through profit or loss | 1,277.66 | 765.05 |
| Foreign exchange differences (net) | 40.25 | (2.90) |
| Miscellaneous income | 15.41 | 42.86 |
| Gain on disposal of property, plant and equipment and right-of-use asset (net) | 69.59 | 98.05 |
| **Total other income** | **1,421.64** | **1,006.75** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 20 Cost of raw materials and components consumed

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Inventory at the beginning of the year | 4,518.30 | 4,688.89 |
| Add: Inventory acquired (refer note 41) | 272.78 | - |
| Add: purchases | 70,672.38 | 57,462.18 |
| | **75,463.46** | **62,151.07** |
| Less: Inventory at the end of the year | 6,876.31 | 4,518.30 |
| **Total cost of raw materials and components consumed** | **68,587.15** | **57,632.77** |

## 21 (Increase) in inventories of finished goods and traded goods

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Inventory at the end of the year | | |
| Finished goods | 9,528.27 | 6,884.07 |
| Traded goods | 653.30 | 363.38 |
| | **10,181.57** | **7,247.45** |
| Inventory at the beginning of the year | | |
| Finished goods | 6,884.07 | 6,722.75 |
| Traded goods | 363.38 | 360.29 |
| | 7,247.45 | 7,083.04 |
| Add: Acquired through acquisition of subsidiary (refer note 41) | 70.86 | - |
| | **7,318.31** | **7,083.04** |
| **(Increase) in inventories of finished goods and traded goods** | **(2,863.26)** | **(164.41)** |

## 22 Employee benefits expense

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Salaries, wages and bonus | 8,741.19 | 6,130.26 |
| Employee stock option expenses (refer note 11 & 29) | 697.77 | 860.36 |
| Contribution to provident and other funds | 264.02 | 190.46 |
| Gratuity expenses (refer note 27) | 45.06 | 25.55 |
| Staff welfare expenses | 199.61 | 103.45 |
| **Total employee benefits expense** | **9,947.65** | **7,310.08** |

## 23 Finance costs

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Interest expenses | 42.21 | - |
| Unwinding of financial liabilities (refer note 16 & 35) | 169.89 | 137.59 |
| **Total finance costs** | **212.10** | **137.59** |

## 24 Depreciation and amortization expense

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3.1) | 4,045.66 | 2,870.21 |
| Depreciation of Right-of-use assets (refer note 3.2) | 730.94 | 556.63 |
| Amortization of intangible assets (refer note 3.3) | 381.72 | 7.82 |
| **Total depreciation and amortization expense** | **5,158.32** | **3,434.66** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 25 Other expenses

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Consumption of stores and spares | 415.28 | 286.22 |
| Contract labour charges | 1,245.72 | 641.53 |
| Power and fuel | 706.54 | 474.81 |
| Freight and forwarding charges | 12,386.73 | 9,626.56 |
| Lease rent (refer note 35) | 6.70 | - |
| Rates and taxes | 170.25 | 289.65 |
| Repairs and maintenance | | |
| - Plant and machinery | 263.85 | 173.02 |
| - Others | 274.23 | 211.19 |
| Advertisement and sales promotion | 9,318.88 | 8,269.52 |
| Travelling and conveyance | 1,836.33 | 1,240.61 |
| Communication expense | 45.73 | 38.61 |
| Legal and professional charges | 444.36 | 214.54 |
| Payment to auditors | | |
| As auditors | | |
| - Audit fees | 35.00 | 38.00 |
| - Limited review | 15.00 | 12.00 |
| - Out of pocket expenses | 1.88 | 2.04 |
| Provision for impairment of financial assets | 236.88 | 46.95 |
| CSR expenditure [refer note 25(A)] | 235.00 | 181.60 |
| Miscellaneous expenses [including directors sitting fees and commission ₹ 56.25 lakhs (March 31, 2023: ₹ 60.00 lakhs)] | 822.20 | 598.33 |
| **Total other expenses** | **28,460.56** | **22,345.18** |

### (A) Details of CSR expenditure

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| a) Gross amount required to be spent by the Group during the year | 235.60 | 181.60 |
| b) Amount approved by the respective Board to be spent during the year | 235.00 | 182.96 |

#### 1. Amount spent during the year ended on March 31, 2024:

| Particulars | In cash | Yet to be paid | Total |
|---|---|---|---|
| i) Construction/acquisition of any asset | | - | - |
| ii) On purposes other than (i) above | 235.00 | - | 235.00 |

#### 2. Amount spent during the year ended on March 31, 2023:

| Particulars | In cash | Yet to be paid | Total |
|---|---|---|---|
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 182.96 | - | 182.96 |

#### 3. Details related to spent / unspent obligations:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| i) Contribution to Charitable Trust# | 235.00 | 182.96 |

# CSR expenditure of ₹ 235.00 lakhs (March 31, 2023: ₹181.60 lakhs) includes programmes for promoting education, healthcare and developmental programmes.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

4. **Details of excess amount spent**

| Particulars | Opening balance (Prepaid) | Amount required to be spent during the year | Amount spent during the year | Closing balance (Prepaid) |
|---|---|---|---|---|
| i) for the year ended March 31, 2023 | - | 181.60 | 182.96 | (1.36) |
| ii) for the year ended March 31, 2024 | (1.36) | 235.60 | 235.00 | (0.76) |

5. The details of related party transactions in relation to CSR expenditure as per relevant accounting standard is disclosed in note 28.

## 26 Earnings per share

The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Profit after tax attributable to the equity holders (₹ in lakhs) (a) | 14,731.89 | 13,193.94 |
| Weighted average number of shares considered for calculating basic EPS (b) | 4,76,03,403 | 4,75,73,224 |
| Weighted average number of shares considered for calculating diluted EPS (c) | 4,77,23,278 | 4,76,90,919 |
| Nominal value of shares (₹) | 10.00 | 10.00 |
| Basic earnings per share (₹) (d) = (a)/(b) | 30.95 | 27.73 |
| Diluted earnings per share (₹) (e) = (a)/(c) | 30.87 | 27.67 |

**Computation of weighted average number of shares**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Calculation of weighted number of shares of ₹ 10 each | | |
| Number of shares outstanding as at April 01 | 4,75,88,282 | 4,75,68,997 |
| Number of shares outstanding for 216 days | 19,740 | - |
| Number of shares outstanding for 98 days | 12,965 | - |
| Number of shares outstanding for 80 days | - | 19,285 |
| **Weighted average number of shares considered for calculation of Basic EPS** | **4,76,03,403** | **4,75,73,224** |
| **Effect of dilution:** | | |
| Stock options granted under ESOP (refer note 29) | 1,19,875 | 1,17,695 |
| **Total considered for calculating Diluted EPS** | **4,77,23,278** | **4,76,90,919** |

## 27 Gratuity

**Gratuity plan**

The Group 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 27 Gratuity (Contd..)

**Net employee benefit expense on account of gratuity recognised in employee benefits expense**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Current service cost | 42.96 | 29.30 |
| Past service cost | - | - |
| Net interest cost/(income) | 2.10 | (3.75) |
| **Net benefit expense recognised in the Statement of profit and loss** | **45.06** | **25.55** |

**Amount recognised in the statement of other comprehensive income**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Actuarial (gains) arising from changes in financial assumptions | (1.54) | (6.84) |
| Actuarial (gains)/losses arising from changes in experience assumptions | (3.74) | 7.12 |
| Actuarial (gains) /losses arising from changes in demographic assumptions | - | - |
| Return on plan assets excluding amounts included in interest loss | 3.44 | 2.86 |
| **Total re-measurement costs for the year recognised in other comprehensive income** | **(1.84)** | **3.14** |

**Changes in the present value of the defined benefit obligation are as follows :**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Opening defined benefit obligation | 234.22 | 204.73 |
| Add: Defined benefit obligation on acquisition of Subsidiary | 58.51 | - |
| Current service cost | 42.96 | 29.30 |
| Interest cost | 20.70 | 14.09 |
| Benefits paid | (23.30) | (14.18) |
| Re-measurement loss in other comprehensive income | (5.28) | 0.28 |
| **Closing defined benefit obligation** | **327.81** | **234.22** |

**Changes in the fair value of plan assets are as follows :**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 244.28 | 241.81 |
| Interest income | 18.60 | 17.84 |
| Contributions by employer | 31.84 | 1.67 |
| Benefits paid | (23.30) | (14.18) |
| Return on plan assets, excluding amount recognized in interest losses | (3.44) | (2.86) |
| **Fair value of plan assets at the end of the year** | **267.98** | **244.28** |

**Net benefit obligation/(asset)**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Present value of defined benefit obligation at the end of the year | 327.81 | 234.22 |
| Less: Fair value of plan assets at the end of the year | 267.98 | 244.28 |
| **Net benefit obligation/(asset)** | **59.83** | **(10.06)** |

**The major categories of plan assets of the fair value of the total plan assets are as follows:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Nature of plan assets** | | |
| Investments with insurer | 100% | 100% |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 27 Gratuity (Contd..)

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 Group's plan are shown below:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rate | 7.10% to 7.20% | 7.25% |
| Salary growth rate | 5.00% to 6.00% | 5.00% |
| Normal age of retirement | 58 years to 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) |

The discount rate is based on yields on government bonds.

Salary growth rate is based on cumulative average growth rate of existing employees over the duration of the liabilities.

**A quantitative sensitivity analysis for significant assumption as at March 31, 2024 and March 31, 2023 is as shown below:**

| Assumptions | Impact on defined benefit obligation | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Increase by 50 basis points | Decrease by 50 basis points | Increase by 50 basis points | Decrease by 50 basis points |
| Discount rate | (17.40) | 19.22 | (12.80) | 13.99 |
| Salary growth rate | 19.41 | (17.65) | 14.21 | (13.11) |

| Assumptions | Impact on defined benefit obligation | | | |
|---|---|---|---|---|
| | March 31, 2024 | | March 31, 2023 | |
| | Increase by 100 basis points | Decrease by 100 basis points | Increase by 100 basis points | Decrease by 100 basis points |
| Withdrawal Rate | 1.67 | (1.78) | 1.19 | (1.23) |

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:**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Within next 12 months | 45.99 | 26.85 |
| Between 1 to 5 years | 48.07 | 37.76 |
| Between 5 to 10 years | 107.3 | 76.68 |

The average duration of the defined benefit plan obligation at the end of the year is 13.06 years (March 31, 2023: 12.78 years)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 28 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 | Chief financial officer |
| Sujoy Bose (up to June 29, 2023) | Company Secretary & Compliance Officer |
| Dayeeta Gokhale (w.e.f. June 29, 2023) | Company Secretary & Compliance Officer |
| Sunil Badriprasad Goyal | Independent Director |
| Praveen Kumar Ramniranjan Tripathi | Independent Director |
| Ravi Nigam | Independent Director |
| Nupur Garg (up to May 04, 2023) | Independent Director |
| Ashwini Deshpande (w.e.f. May 26, 2023) | Independent Director |
| Sakshi Vijay Chopra | Nominee Director |
| Ravi Shankar Venkataraman Ganapathy Agraharam (up to February 10, 2023) | Alternate Director |
| Payal Jalan Charitable Trust | Entity controlled by KMP |
| Vinay Menon | Relative of KMP |

### 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.

#### a. Transactions during the year

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **(i) Remuneration paid** | | |
| **Salary allowances and bonus*** | | |
| Hemant Jalan | 240.00 | 240.00 |
| Anita Jalan | 15.00 | 15.00 |
| Kottiedath Venugopal Narayanankutty | 165.93 | 153.83 |
| Vinay Menon | 41.43 | 33.55 |
| Chetan Humane | 58.67 | 46.77 |
| Sujoy Bose | 6.55 | 13.76 |
| Dayeeta Gokhale | 8.01 | - |
| **(ii) CSR expenditure** | | |
| Payal Jalan Charitable Trust | 85.00 | 82.00 |
| **(iii) Directors sitting fees & commission** | | |
| Sunil Badriprasad Goyal | 15.00 | 15.00 |
| Praveen Kumar Ramniranjan Tripathi | 15.00 | 15.00 |
| Ravi Nigam | 15.00 | 15.00 |
| Nupur Garg | - | 15.00 |
| Ashwini Deshpande | 11.25 | - |

#### b. Closing balance

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Remuneration payable** | | |
| Hemant Jalan | 20.00 | 20.00 |
| Anita Jalan | 1.12 | 1.02 |
| Kottiedath Venugopal Narayanankutty | 7.75 | 7.75 |
| Vinay Menon | 2.14 | 1.86 |
| Chetan Humane | 2.41 | 2.09 |
| Sujoy Bose | - | 1.13 |
| Dayeeta Gokhale | 0.85 | - |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 28 Related party transactions (Contd..)

* The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.

**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.

The transactions with related parties (excluding relatives of KMPs) includes managerial remuneration which is determined based on market conditions and is approved by Nomination and Remuneration Committee of the Company.

## 29 Employee stock option scheme (adjusted for issue of bonus shares)

**i. The Group has provided following share-based payment schemes to its employees:**

| Particulars | Employee stock option scheme 2019 | Employee stock option scheme 2019 | Employee stock option scheme 2019 | Employee stock option scheme 2019 | Employee stock option scheme 2019 |
|---|---|---|---|---|---|
| Date of grant | June 04, 2019 | July 07, 2020 | October 29, 2021 | May 20, 2022 | May 26, 2023 |
| Date of board approval | April 29, 2019 | July 07, 2020 | October 29, 2021 | May 20, 2022 | May 26, 2023 |
| Date of shareholder's approval | March 28, 2019 | March 28, 2019 | March 28, 2019 | March 28, 2019 | March 28, 2019 |
| Number of options granted | 27,750 | 21,250 | 70,750 | 27,450 | 43,500 |
| Method of settlement | Equity settled | | | | |
| Original vesting period | 5 years | 5 years | 5 years | 5 years | 1- 4 years |
| Revised vesting period# | 1- 4 years | 1- 4 years | 1- 4 years | 1- 4 years | 1- 4 years |
| Fair value of shares on date of grant | ₹ 242.98 | ₹ 612.96 | ₹ 2,390.59 | ₹1,611.60 | ₹1,488.41 |
| Vesting conditions | Vesting based on continued association with the Group | | | | |

# During the year 2022-23, based on the powers of the board of directors, the board has revised the vesting period of 4 years for Employee stock option scheme 2019 as 10% after the completion of year 1, 20% after the completion of year 2, 30% after the completion of year 3 and 40% after the completion of year 4.

**ii. The details of activities under the scheme have been summarized below:**

| Particulars | March 31, 2024 Number of options | March 31, 2024 Weighted average exercise price (₹) | March 31, 2023 Number of options | March 31, 2023 Weighted average exercise price (₹) |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 1,17,695 | 10.00 | 1,16,250 | 10.00 |
| Granted during the year | 43,500 | 10.00 | 27,450 | 10.00 |
| Forfeited during the year | (8,615) | 10.00 | (6,720) | 10.00 |
| Exercised during the year | (32,705) | 10.00 | (19,285) | 10.00 |
| Outstanding at the end of the year | 1,19,875 | 10.00 | 1,17,695 | 10.00 |
| Exercisable at the end of the year | 6,080 | 10.00 | 8,515 | 10.00 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 29 Employee stock option scheme (adjusted for issue of bonus shares) (Contd..)

### iii. The Group of stock options exercised during the year:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Number of options exercised during the year | 32,705 | 19,285 |
| Weighted average share price (₹) | 10.00 | 10.00 |

### iv. The details of exercise price for stock options outstanding at the end of the year are:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Number of options outstanding | 1,19,875 | 1,17,695 |
| Exercise price (₹) | ₹ 10 | ₹ 10 |
| Weighted average remaining contractual life of options (in years) | 2.14 yrs | 2.25 yrs |

### v. Stock options granted:

The weighted average fair value of stock options granted during the period was ₹1,936.47 (March 31, 2023: ₹2,098.68). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs (previous year's figures are shown in box bracket)

| Grant date<br>Modification date | June 04, 2019<br>September 02, 2022 | July 07, 2020<br>September 02, 2022 | October 29, 2021<br>September 02, 2022 | May 20, 2022<br>September 02, 2022 | May 26, 2023<br>- |
|---|---|---|---|---|---|
| Weighted average share price (₹) | 235.90 | 606.96 | 2,390.59 | 1,611.60 | 1,507.40 |
| | [235.90] | [606.96] | [2,390.59] | [1,611.60] | [ - ] |
| Exercise Price (₹) | ₹10 | ₹10 | ₹10 | ₹10 | ₹10 |
| | [₹10] | [₹10] | [₹10] | [₹10] | [ - ] |
| Expected volatility (%) | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% |
| | [28.00%] | [28.00%] | [28.00%] | [28.00%] | [ - ] |
| Expected life of the options granted (in years) | 0.17 to 3.17 yrs | 1.27 to 4.27 yrs | 2.58 to 5.58 yrs | 3.13 to 6.13 yrs | 4.15 to 7.15 yrs |
| | [1.18 to 4.18 yrs] | [2.27 to 5.27 yrs] | [3.58 to 6.58 yrs] | [4.14 to 7.14 yrs] | [ - ] |
| Average risk-free interest rate (%) | 6.35% - 6.95% | 3.69% - 4.96% | 4.09% - 5.74% | 5.96% - 7.25% | 7.01% - 7.06% |
| | [6.35% - 6.95%] | [3.69% - 4.96%] | [4.09% - 5.74%] | [5.96% - 7.25%] | [ - ] |
| Dividend yield | 0% | 0% | 0% | 0.30% | 0.23% |
| | [0%] | [0%] | [0%] | [0.30%] | [ - ] |

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, 2024 amounted to ₹ 697.77 lakhs (March 31, 2023: ₹ 860.36 lakhs). The liability for employee stock options outstanding as at March 31, 2024 is ₹1,290.08 lakhs (March 31, 2023: ₹ 985.14 lakhs

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 30 Capital and other commitments

i) The estimated amounts of contract remaining to be executed on capital account and not provided for are ₹17,963.64 lakhs (net of advances: ₹1,898.69 lakhs) [March 31, 2023: ₹ 2,016.37 lakhs (net of advances: ₹ 154.59 lakhs)]

ii) The Group has guaranteed purchase of certain quantities of tinting machine and gyro shakers. In the event the Group 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) For commitments relating to lease arrangements, refer note 35.

## 31 Contingent liabilities

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Sales tax - C forms | 1.04 | 6.14 |
| Value added tax | 65.98 | 1,727.80 |
| Income tax matters | 49.86 | 45.53 |
| Excise and service tax related matters | 5.72 | 5.72 |
| Building tax | 22.75 | 22.75 |
| Goods and services tax | 2,015.18 | 1,372.43 |
| **Total*** | **2,160.53** | **3,180.37** |

Sales tax/ Income tax/ Excise and service tax /Goods and services tax dues comprise of demand from Indian tax authorities for payment of additional tax in relation to various tax matters. The Group is contesting the demands and the management, including its tax advisors, believe its position will likely be upheld in appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. 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 (if any), thereon.

## 32 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **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 | 2,995.81 | 5,465.69 |
| -- Interest due on above | - | 6.65 |
| 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 | 39.44 | 39.44 |
| 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 | 39.44 | 39.44 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 33 Segment reporting

The Board of Directors of the Group performs the function of allotment of resources and assessment of performance of the Group. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Group 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 Group. As the Group 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.

## 34 Operating leases

### Operating lease - Group as lessor

The Group has given tinting machine and gyro shakers on operating lease to its dealers. The Group enters into 5 years cancellable lease agreements. The minimum aggregate lease payments to be received in future is considered as ₹ 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. The initial direct cost relating to acquisition of tinting machine and gyro shakers is capitalised. The information on gross amount of leased asset, depreciation and impairment is given in note 3.1(i).

## 35 Leases

### A Group as a lessee

The Group has lease contracts mainly for land and buildings (godowns and depots) used for factory operations and storage of goods. Leases of such depots /godowns generally have lease terms between 3 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of depots with lease terms of 12 months or less and leases of low value.

Leasehold land has lease term between 83 to 99 years.

For details on Right to use assets, refer note 3.2

The carrying amounts of lease liabilities and the movements during the year:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **At the beginning of the year** | 1,185.53 | 1,243.64 |
| Add: Acquired in acquisition of subsidiary (refer note 41) | 141.32 | - |
| Additions | 1,257.70 | 445.81 |
| Accretion of interest | 162.53 | 121.62 |
| Disposals/ Cancellations | (177.95) | (44.51) |
| Payments | (774.28) | (581.03) |
| **At the end of the year** | **1,794.85** | **1,185.53** |
| Current | 697.49 | 491.22 |
| Non-current | 1,097.36 | 694.31 |

**Non-cash investing transaction**

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Additions to lease liabilities and right-of-use assets | 1,257.90 | 445.81 |
| Disposals/ Cancellations | (177.95) | (44.51) |
| Interest accrued on lease liabilities | 162.53 | 121.62 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 35 Leases (Contd..)

The maturity analysis of lease liabilities are disclosed in note 38.

The effective interest rate for lease liabilities is 10%, with maturity between 2024-2033.

The following are the amounts recognised in profit or loss:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Depreciation expense of right-of-use assets | 730.94 | 556.63 |
| Interest expense on lease liabilities | 162.53 | 121.62 |
| (Gain) on termination of lease | (59.50) | - |
| Expense relating to short-term leases | 6.70 | - |
| **Total amount recognised in Statement of profit and loss** | **840.67** | **678.25** |

The Group had total cash outflows for leases of ₹ 774.28 lakhs in March 31, 2024 (₹ 581.03 lakhs in March 31, 2023). The Group also had non-cash additions to right-of-use assets and lease liabilities of ₹ 1,257.90 lakhs in March 31, 2024 (₹ 445.81 lakhs in March 31, 2023). The future cash outflows relating to leases are disclosed in note 38.

The Group 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 Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

## 36 Fair value measurements

### i) Category of financial instruments and valuation techniques

**Breakup of financial assets carried at amortised cost**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Investments (refer note 4) | 0.91 | - |
| Trade receivables (refer note 7) | 22,310.52 | 20,010.96 |
| Cash and cash equivalent (refer note 8.1) | 3,291.56 | 4,717.93 |
| Bank balances other than Cash and cash equivalents (refer note 8.2) | 1.61 | 161.37 |
| Other financial assets (refer note 5) | 281.45 | 180.76 |
| **Total** | **25,886.05** | **25,071.02** |

**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**

(₹ in Lakh)

| Particulars | Carrying value | | Fair value | |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Investments | 16,670.39 | 13,168.64 | 16,670.39 | 13,168.64 |
| **Total** | **16,670.39** | **13,168.64** | **16,670.39** | **13,168.64** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 36 Fair value measurements (Contd..)

### Breakup of financial liabilities carried at amortised cost

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Borrowings | 308.07 | - |
| Lease liabilities (refer note 35) | 1,794.85 | 1,185.53 |
| Trade payables (refer note 13) | 22,898.74 | 19,914.47 |
| Other financial liabilities (refer note 14) | 6,832.38 | 2,245.45 |
| **Total** | **31,834.04** | **23,345.45** |

**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 Group assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy as at March 31, 2024 and March 31, 2023 respectively.

| Particulars | Date of valuation | Fair value measurement using | | | Total |
|---|---|---|---|---|---|
| | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs | |
| | | Level 1 | Level 2 | Level 3 | |
| **Financial assets measured at fair value** | | | | | |
| Investments in mutual funds | March 31, 2024 | 16,670.39 | - | - | 16,670.39 |
| (refer note 4) | March 31, 2023 | 13,168.64 | - | - | 13,168.64 |
| **Financial liabilities measured at fair value** | | | | | |
| Redemption liability | March 31, 2024 | - | 4,136.86 | - | 4,136.86 |
| (refer note 14 & 41) | March 31, 2023 | - | - | - | - |

There has been no transfer among Level 1, Level 2 and Level 3 during the year.

## 37 Capital management

The Group's objective for capital management is to maximise shareholders value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirements based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. No changes were made in the objectives, policies or processes during the year ended March 31, 2024. Capital represents equity attributable to equity holders of the Company.

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| (a) Debt* | 23,206.81 | 19,914.47 |
| (b) Cash and cash equivalents (includes deposits with original maturity of more than 3 months but less than 12 months) | (3,292.66) | (4,879.18) |
| **(c) Net obligations (a+b)** | **19,914.15** | **15,035.29** |
| (d) Equity | 90,213.63 | 77,612.75 |
| **(e) Gearing ratio (c/d)** | **0.22** | **0.19** |

*includes borrowings and trade payables.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 38 Financial risk management objectives and policies

The Group's principal financial liabilities comprise lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds investments in mutual funds.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group'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 deposits and investments.

The Group does not have significant direct exposure to foreign currency risk.

### (b) Interest Rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Changes in interest rate by 50 basis points will impact profit by ₹ 1.54 lakhs.

### (c) 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 Group 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 Group'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.

The Group 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.

#### (ii) Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds is managed by the management in accordance with the Group'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 Group's maximum exposure to credit risk for financial instruments (mutual funds), bank balances and deposits as at March 31, 2024 and March 31, 2023 is the carrying amounts as mentioned in note 4 and 8.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 38 Financial risk management objectives and policies (Contd..)

### (d) Price risk

The Group invests its surplus funds in mutual funds which are linked to equity/debt markets. The Group 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 Group's investment policy approved by the Board of Directors.

### (e) Liquidity risk

Liquidity risk is the risk that the Group 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 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, 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 Group's financial liabilities based on contractual undiscounted payments.

| Particulars | On demand | Next 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **March 31, 2024** | | | | | |
| Borrowings | 79.66 | 77.76 | 150.65 | - | 308.07 |
| Lease Liabilities | - | 733.56 | 1,351.18 | 244.64 | 2,329.38 |
| Trade payables | 39.44 | 22,859.30 | - | - | 22,898.74 |
| Other financial liabilities | - | 2,695.52 | - | - | 2,695.52 |
| | **119.10** | **26,366.14** | **1,501.83** | **244.64** | **28,231.71** |
| **March 31, 2023** | | | | | |
| Lease Liabilities | - | 595.97 | 770.15 | - | 1,366.12 |
| Trade payables | - | 19,914.47 | - | - | 19,914.47 |
| Other financial liabilities | - | 2,245.45 | - | - | 2,245.45 |
| | **-** | **22,755.89** | **770.15** | **-** | **23,526.04** |

## 39 Standards notified but not yet effective

There are no standards that are notified and not effective as on date.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)



## 40 Transactions with companies struck off:

| Name of the struck off companies | Nature of transactions with struck off companies | | Amount of transactions with struck off companies | Balance outstanding | | Relations with struck off company, if any |
|---|---|---|---|---|---|---|
| Pyrotech Electronics Private Limited | Payable - Purchase of Capital Goods | March 31, 2024 | - | March 31, 2024 | - | - |
| | | March 31, 2023 | 3.25 | March 31, 2023 | - | - |
| Paint Shades Private Limited | Receivable - Sale of Goods | March 31, 2024 | - | March 31, 2024 | - | - |
| | | March 31, 2023 | 39.20 | March 31, 2023 | 11.36 | - |
| Prarabdh Commercial India Private Limited | Receivable - Sale of Goods | March 31, 2024 | - | March 31, 2024 | - | - |
| | | March 31, 2023 | 1.98 | March 31, 2023 | (0.04) | - |

## 41 Acquisition of Apple Chemie India Private Limited ('ACIPL')

On April 3, 2023, the Company has acquired 51% stake in Apple Chemie India Private Limited (""ACIPL""), a private limited company for a consideration of 2,933.09 lakhs. Accordingly, effective such date, ACIPL has become a subsidiary of the company. ACIPL is engaged in the manufacture and sale of construction chemicals and water proofing products. The acquisition will enable the group to expand its product portfolio. Pursuant to such acquisition, the comparative figures presented in the consolidated financial statements for the year ended March 31, 2023 represent standalone figures of the Holding Company.

The Group has elected to measure the non-controlling interests in the acquiree at fair value. Further, the Company has the call option to buy and non-controlling interest (NCI) has the put option to sell, the balance 49% stake at a value to be determined as per the terms of the share purchase and share subscription agreement (SPSSA).

As on the acquisition date, Company has accounted the fair value of redemption liability for put option over NCI upon exercise and recognised the subsequent fair value change in other equity in consolidated financial statements. The Group has recognised fair value of put option liability. Key assumptions used to determine the fair value of put option are based on estimated projected EBITDA and revenue of ACIPL. The fair value of redemption liability for put options over NCI 'on March 31, 2024 is ₹ 4,136.86 lakhs.

The fair values of the identifiable assets and liabilities of ACIPL as at the acquisition date were:

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 41 Acquisition of Apple Chemie India Private Limited ('ACIPL') (Contd..)

| Particulars | Carrying value as per books | PPA fair value adjustments | Fair value of assets taken over |
|---|---|---|---|
| **(A) Assets acquired** | | | |
| **Non current assets** | | | |
| (a) Property, plant and equipment | 748.29 | 273.05 | 1,021.34 |
| (b) Capital work in progress | 4.54 | - | 4.54 |
| (c) Right of use assets | 173.91 | 152.16 | 326.07 |
| (d) Intangible assets | | | - |
| Formulations | - | 1,876.70 | 1,876.70 |
| Customer contracts | - | 489.80 | 489.80 |
| Assembled workforce | - | 86.00 | 86.00 |
| (e) Financial assets | 19.90 | - | 19.90 |
| (f) Income tax assets (net) | 4.24 | - | 4.24 |
| (g) Other non-current assets | 51.26 | - | 51.26 |
| **Current assets** | | | - |
| (a) Inventories | 343.64 | - | 343.64 |
| (b) Financial assets | 1,473.54 | - | 1,473.54 |
| (c) Other-current assets | 11.06 | - | 11.06 |
| **Total Assets acquired (A)** | **2,830.38** | **2,877.71** | **5,708.09** |
| **(B) Liabilities assumed** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | 159.80 | - | 159.80 |
| (b) Provisions | 36.59 | - | 36.59 |
| (c) Deferred tax liabilities (net) | 0.54 | 689.62 | 690.16 |
| (d) Other non-current liabilities | 37.75 | - | 37.75 |
| **Current liabilities** | | | - |
| (a) Financial liabilities | 630.99 | - | 630.99 |
| (b) Other current liabilities | 54.21 | - | 54.21 |
| (c) Provisions | 29.11 | - | 29.11 |
| (d) Current tax liabilities (net) | 0.63 | - | 0.63 |
| **Total Liabilities assumed (B)** | **949.62** | **689.62** | **1,639.24** |
| **(C) Net identifiable assets acquired (A-B)** | **1,880.76** | **2,188.09** | **4,068.85** |
| (D) Cash infusion | | | 750.00 |
| (E) Goodwill arising on acquisition | | | 932.32 |
| (F) Non- controlling interests measured at fair value | | | (2,818.08) |
| **(G)Purchase consideration transferred (C+D+E+F)** | | | **2,933.09** |

The fair value of trade receivables amount to ₹ 1,018.64 lakhs. The gross contractual amount receivable from trade and other receivables is ₹ 1,097.60 lakhs. None of the trade receivables are credit impaired and it is expected that the full contractual amounts will be collected except ₹78.96 lakhs. Further, no contingent liability has been transferred to the Group.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

### Calculation of goodwill

| Particulars | Amount |
|---|---|
| Purchase consideration | 2,933.09 |
| Less: Net identifiable assets acquired | (2,000.77) |
| **Goodwill** | **932.32** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 41 Acquisition of Apple Chemie India Private Limited ('ACIPL') (Contd..)

The goodwill on acquisition is attributable to expected synergies from acquisition considering the wide range of products which compliments Parent's product portfolio. This enabled Group to widen its offerings and strengthen its foothold in waterproofing and construction chemical process. Other intangible assets of the Company that cannot be identified separately. The amount of goodwill is not expected to be deductible for tax purposes. Refer note 3.3 for details on impairment testing of Goodwill.

The fair value of the non-controlling interest in ACIPL, has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:

- An assumed discount rate of 29%
- A growth rate of 10%, which has been used to determine income for the future years
- A reinvestment ratio of 100% of earnings

The acquired business contributed ₹ 5,122.47 lakhs and ₹17.12 lakhs towards revenue from operations and profit after tax for the Group for the period April 03, 2023 to March 31, 2024 after including impact of adjustments for consolidation. The contribution of acquired business will remain same had the entity been consolidated with effect from beginning of the period i.e. April 01, 2023.

**Purchase consideration -- Cash outflow**

| Particulars | Amount |
|---|---|
| Cash consideration | 2,933.09 |
| Less: Cash and cash equivalent acquired | (963.46) |
| **Net cashflow on acquisition** | **1,969.63** |

## 42 Compliance with section 143 (3) for maintenance of books of accounts

With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of accounts and other relevant books and papers. Pursuant to this amendment, the Company is required to maintain the books of accounts which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis. The Company has a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of accounts.

## 43 Compliance with section 143(3) for maintenance of audit trail:

**The Holding Company and subsidiary have complied with the requirements of audit trail except for the following:**

### Audit trail enablement

The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the application (SAP ECC6) and/or the underlying database (Oracle 19C). Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

### Migration to upgraded accounting software

The Subsidiary Company has migrated to upgraded version of accounting software (Tally Prime Gold) from Tally ERP on April 03, 2023. The audit trail feature in Tally ERP accounting software is not available. The upgraded version of accounting software used for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with in respect of upgraded accounting software.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024 (All amounts in rupees lakhs, unless otherwise stated)

## 44 Other statutory information:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Group have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in rupees lakhs, unless otherwise stated)

## 45 Additional information as required under Schedule III of the Act

| Name of the entity | % of shareholding as at March 31, 2024 | Principal place of operation / country of incorporation | Net Assets (total assets (-) total liabilities) | | Share in profit of loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Amount | As a % of consolidated | Amount | As a % of consolidated | Amount | As a % of consolidated | Amount | As a % of consolidated |
| **Parent Company** | | | | | | | | | | |
| Indigo Paints Limited | 100% | India | 91,506.78 | 101.43% | 14,865.26 | 99.88% | (6.68) | (484.06%) | 14,858.58 | 99.83% |
| **Subsidiary** | | | | | | | | | | |
| Apple Chemie India Private Limited | 51% | India | 2,946.87 | 3.27% | 308.04 | 2.07% | 8.06 | 584.06% | 316.10 | 2.12% |
| Adjustments on consolidation | | | (4,240.02) | (4.70%) | (290.47) | (1.95%) | - | - | (290.47) | (1.95%) |
| **Total** | | | **90,213.63** | **100.00%** | **14,882.83** | **100.00%** | **1.38** | **100.00%** | **14,884.21** | **100.00%** |

**46** During the year, the Company has acquired 51% stake in Apple Chemie India Private Limited ("ACIPL"), a private limited company. Accordingly, effective such date, ACIPL has become a subsidiary of the company. Pursuant to such acquisition, Company has prepared consolidated financial statements for the year ended March 31, 2024. The comparative figures presented in the consolidated financial statements for the year ended March 31, 2023 represent standalone figures of the Holding Company.

As per our report of even date.

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

**per Sumit Kumar Agrawal**
Partner
Membership number: 135859

Place: Mumbai
Date: May 22, 2024

**For and on behalf of the Board of Directors of**
**Indigo Paints Limited**
CIN :L24114PN2000PLC014669

**Hemant Jalan**
Chairman & Managing Director
DIN: 00080942

**Anita Jalan**
Director
DIN: 00085411

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
A - 50582

**Chetan Humane**
Chief Financial Officer
PAN: ABGPH4376K

Place: Pune
Date: May 22, 2024

INDIGO
Be surprised!

**Indigo Paints Limited**

**Registered Office:** Indigo Tower, Street 5, Pallod Farm-2, Baner Road, Pune- 411045, Maharashtra
**CIN:** L24114PN2000PLC014669, **Tel:** +91 20 6681 4300
**Email:** secretarial@indigopaints.com, **Website:** www.indigopaints.com

# Notice of the 24th Annual General Meeting

**NOTICE** is hereby given that the Twenty-fourth Annual General Meeting (the "AGM") of the Members of Indigo Paints Limited (the "Company") will be held on Saturday, August 10, 2024 at 11:30 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") (Deemed venue for meeting: Registered Office of the Company at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune, Maharashtra 411045) to transact the following business:

## ORDINARY BUSINESS:

1. **Adoption of Financial Statements**

   To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors ("the Board") and Auditors thereon.

2. **Declaration of dividend on Equity Shares**

   To declare final dividend of ₹ 3.50/- (Three Rupees Fifty Paisa only) (35 %) per equity share of the face value ₹ 10/- (Rupees Ten Only) each for the financial year ended March 31, 2024.

3. **Appointment of a Director in place of Mr. Narayanankutty Kottiedath Venugopal who retires by rotation**

   To appoint a Director in place of Mr. Narayanankutty Kottiedath Venugopal (DIN: 00296465), who retires by rotation and being eligible, offers himself for reappointment.

4. **Appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company and fixing of their remuneration**

   **To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to Sections 139, 141, 142 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee, and Board of Directors, M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, having Firm Registration No. 012754N/N500016 be and are hereby appointed as the Statutory Auditors of the Company for the first term of five years, from the conclusion of 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting to be held in the year 2029, to examine and audit the accounts of the Company at such remuneration plus applicable taxes, and out of pocket expenses as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

## SPECIAL BUSINESS:

5. **Appointment of Mr. Parag Jalan (DIN: 10638804) as Non-executive Director of the Company**

   To consider and if thought fit, pass the following resolution as a **Ordinary Resolution**, with or without modification(s):

   "**RESOLVED THAT** pursuant to the provision of Section 152 of the Companies Act, 2013 read with Companies (Appointment and qualification of Directors) Rules, 2014 and other applicable provisions and Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and/or the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Mr. Parag Jalan (DIN: 10638804) who has been appointed as an Additional Director of the Company by the Board of Directors with effect from May 22, 2024 in terms of Section 161(1) of the Act, at such sitting fees as decided by Nomination & Remuneration Committee/ Board of Directors whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Non-executive, Non-Independent Director liable to retire by rotation.

   **RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company and/or any person authorized by the Board be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalize 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."

6. **Re-appointment of Mr. Sunil Badriprasad Goyal (DIN: 00503570) as an Independent Director of the Company**

To consider the appointment and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to provisions of Section 149, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, and the Articles of Association of the Company, as well as based on recommendation of the Nomination and Remuneration Committee, and approval of Board of Directors, Mr. Sunil Badriprasad Goyal (DIN: 00503570) who was appointed as an Independent Director of the Company for a period of five years from June 01, 2020 to May 31, 2025, (both inclusive) and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of five years, i.e., from June 01, 2025 to May 30, 2030 (both days inclusive)."

**RESOLVED FURTHER THAT** the Board of Directors and/ or the Company Secretary of the Company and/ or any person authorized by the Board be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalize 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."

7. **Re-appointment of Mr. Praveen Kumar Ramniranjan Tripathi (DIN: 03154381) as an Independent Director of the Company**

To consider the appointment and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to provisions of Section 149, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, and the Articles of Association of the Company, as well as based on recommendation of the Nomination and Remuneration Committee, and approval of Board of Directors, Mr. Praveen Kumar Ramniranjan Tripathi (DIN: 03154381) who was appointed as an Independent Director of the Company for a period of five years from June 01, 2020 to May 31, 2025, (both inclusive) and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of five years, i.e., from June 01, 2025 to May 30, 2030 (both days inclusive)."

**RESOLVED FURTHER THAT** the Board of Directors and/ or the Company Secretary of the Company and/ or any person authorized by the Board be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalize 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."

8. **Approval for the payment of commission to Non-Executive Directors of the Company**

To consider the appointment and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"**RESOLVED THAT** pursuant to the provisions of section 197, 198, Schedule V of the Act and all other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, as amended from time to time, on recommendation of Nomination and Remuneration

Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for payment of commission to the non-executive director(s) including Independent Director(s) of the Company who is/are neither in the whole time employment nor Managing Director, in addition to sitting fees being paid to them for attending the meeting of the Board and its Committees, for the financial year 2024-25 and financial year 2025-26, of amounts or in such proportions as the Board of Directors may from time to time deem fit, which shall not exceed 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

9. **Approval of Indigo Paints- Employee Stock Option Scheme, 2024 ("ESOS, 2024")**

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 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, ("SEBI SBEB & SE Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), including any statutory modification or re-enactment thereof for the time being in force, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions, sanctions as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s) by the above authorities and pursuant to the recommendation of Nomination and Remuneration Committee ("NRC") constituted by the Board under Section 178 of the Companies Act, 2013 and the Board of Directors of the Company at its meetings held on July 13, 2024, within the meaning of Regulation 6 of SEBI SBEB Regulations and consent of the Members' of the Company be and is hereby accorded to the introduction and implementation of 'Indigo Paints- Employee Stock Option Scheme 2024' ("ESOS 2024") and authorized the Board of Directors of the Company (hereinafter referred to as the "Board") which term shall be deemed to include the Nomination and Remuneration Committee which exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB & SE Regulations 2021 to create, issue, offer, grant allot from time to time, in one or more tranches, not exceeding 2,50,000 (Two Lakhs Fifty Thousand Only) employee stock options ("Options") to or for the benefit of such person(s), who are the permanent Employees or Directors of the Company as may be permissible under the SEBI Regulations (hereinafter referred to as 'Employees') and as may be decided by the Board under the Indigo Paints – Employee Stock Option Scheme 2024" (hereinafter referred as the "ESOS-2024" or "Scheme"), exercisable into not more than 2,50,000 (Two Lakhs Fifty Thousand Only) equity shares of face value of ₹ 10/- (Rupees Ten) each fully paid-up, on payment of the requisite exercise price to the Company where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the terms of the Scheme.

**RESOLVED FURTHER THAT** the new equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company, unless otherwise decided by the Board.

**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 to incur expenses in relation thereto.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

**RESOLVED FURTHER THAT** to give effect to the above resolutions Mr. Hemant Kamala Jalan, Managing Director, Mr. Chetan Bhalchandra Humane, Chief Financial Officer and Ms. Dayeeta Gokhale, 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 to take requisite steps for listing of the equity shares allotted under the Plan on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB

& SE Regulations and other applicable laws and to make such filings/ applications with the regulatory authorities including the Registrar of Companies, Maharashtra at Pune to effectively implement this resolution;

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

**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."

By order of the Board
**For Indigo Paints Limited**

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
Membership No. A50582
Place: Pune
Date: July 13, 2024

Registered Office:
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road Pune -411045

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), in respect of businesses to be transacted at the Annual General Meeting ("AGM"), as set out under Item No(s). 5 to 9 above and the relevant details of the Directors as mentioned under Item No(s). 3, 5 to 7 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.

2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 09/2023 dated September 25, 2023, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI ("the Circulars"), companies are allowed to hold AGM through video conference/other audio visual means ("VC/OAVM") upto September 30, 2024, without the physical presence of members. The AGM of the Company is being held through VC/OAVM, and video recording and transcript of the same shall be made available on the website of the Company.

3. 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.

4. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Depository Participants ("DPs").

5. The Notice of AGM along with Annual Report for the financial year 2023-24, is available on the website of the Company at https://indigopaints.com/investors/meetings-announcements-2/ on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited www.bseindia.com and www.nseindia.com respectively and on the website of Registrar and Transfer Agent (RTA) i.e www.linkintime.co.in 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/EGM) i.e. www.evotingindia.com. The notice of the meeting containing the prescribed particulars has also been published in The Financial Express and Loksatta Newspapers.

6. 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.

7. 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 Corporate Shareholders 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.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 10, 2024. Members seeking to inspect such documents can send an email to secretarial@indigopaints.com.

9. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.

10. Members may note that the Board, at its meeting held on May 22, 2024, has recommended a final dividend of ₹ 3.50 per share. The record date for the purpose of final dividend is August 02, 2024. The register of Members (Book Closure date) will be closed from August 03, 2024 to August 10, 2024. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before September 08, 2024 electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are

held in physical mode) to receive dividend directly into their bank account on the payout date.

11. As per the Income-tax Act, 1961, dividends paid or distributed by the Company after April 01, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source ("TDS") at the prescribed rates from the dividend to be paid to the shareholders, subject to requisite approvals. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. Members are requested to note that in case the tax on dividend is deducted at a higher rate in absence of receipt of the requisite details/ documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

12. The Board has appointed Ms. Ashwini Inamdar or failing her, Ms. Alifya Sapatwala, Partners, Mehta and Mehta, Practicing Company Secretaries (ICSI Unique Code: P1996MH007500) to act as the Scrutinizer, to scrutinize the e-voting process (including votes cast by the Members at the Annual General Meeting) in a fair and transparent manner.

13. The Scrutinizer's decision on the validity of the vote shall be final.

14. 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 not later than two working days of conclusion of the e-AGM to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same.

15. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. https://indigopaints.com/investors/meetings-announcements-2/ 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.

16. 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.

17. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

18. 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.

19. 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.

20. In case of any queries regarding the Annual Report, the Members may write to secretarial@indigopaints.com to receive an email response.

21. 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

22. **e-AGM:** The 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.

23. **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.

24. 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-serve 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-serve basis.

25. 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.

26. **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 the Circulars, 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.

27. The Company has fixed Thursday, August 02, 2024 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.

28. TThe 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 12, 2024 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars.

    Any person, who becomes Member of the Company after dispatch of the Notice of 24th AGM and holding shares as on the cut-off date i.e. August 02, 2024, may obtain the login ID and password by sending a request at evoting@cdsl.co.in, umesh.sharma@linkintime.co.in and secretarial@indigopaints.com.

29. 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

## THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The remote e-voting period begins on August 07, 2024 at 09.00 Hrs (IST) and ends on August 09, 2024 at 17:00 Hrs (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 02, 2024 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.

    **Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) 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.

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 Depository** | 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 users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.<br>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, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>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. 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 Depository** | 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.<br>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<br>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 (DP)** | 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. |

**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 toll free no. 1800 22 55 33 |
| 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.: 022-4886 7000 and 022-2499 7000 |

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) 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)<br>• 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.<br>• 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. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory 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 (designated email address by company), 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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM 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/EGM.
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 (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). 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/ EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may 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 toll free no. 1800 22 55 33

   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 toll free no. 1800 22 55 33.

By order of the Board
**For Indigo Paints Limited**

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
Membership No. A50582
Place: Pune
Date: July 13, 2024

Registered Office:
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road Pune -411045

# Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 ("The Act")

**Item No. 5: Appointment of Mr. Parag Hemant Jalan (DIN: 10638804) as Director of the Company**

The Board of Directors of the Company at its meeting held on May 22, 2024, appointed Mr. Parag Hemant Jalan (DIN: 10638804) as an Additional Director of the Company with effect from May 22, 2024, subject to the approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Parag Jalan as an additional Director pursuant to the provisions of Section 152 of the Companies Act, 2013. Further, the Company has also received Mr. Parag Jalan's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Parag Jalan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as Non-executive Director of the Company. Considering Mr. Parag Jalan's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as a Non-executive Director with effect from May 22, 2024. A copy of the letter of appointment of Mr. Parag Jalan setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Parag Jalan, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given in Annexure A to this Notice.

The Board recommends the Resolution at Item No. 5 for approval of the shareholders by way of Ordinary Resolution.

Except Mr. Parag Jalan and Mr. Hemant Jalan or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution

**Item No. 6: Re-appointment of Mr. Sunil Badriprasad Goyal (DIN: 00503570) as Independent Director of the Company**

Mr. Sunil Badriprasad Goyal is serving on the Board of the Company as an Independent Director for a term of 5 years w.e.f. June 01, 2020. Accordingly, the first term of Mr. Sunil Goyal, as an Independent Director is expiring on May 31, 2025.

The Company has received the consent from Mr. Sunil Goyal (DIN: 00503570) to act as the Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act and Regulation 16(1)(b). After taking into account the performance evaluation, during his first term and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Goyal during his tenure as an Independent Director, the Nomination and Remuneration Committee at its meeting held on May 21, 2024 has considered, approved and recommended the re-appointment of Mr. Sunil Goyal as an Independent Director for a second term of five consecutive years with effect from June 01, 2025, to the Board of Directors for its approval. The Board of Directors at its meeting held on May 22, 2024 has approved the proposal for reappointment of Mr. Sunil Goyal as an Independent Director for a second term of five consecutive years with effect from June 01, 2025 to May 31, 2030.

The Board recommends the Resolution at Item No. 6 for approval of the shareholders by way of Special Resolution.

Except Mr. Sunil Goyal or his relatives, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

**Item No. 7: Re-appointment of Mr. Praveen Kumar Ramniranjan Tripathi (DIN: 03154381) as Independent Director of the Company**

Mr. Praveen Kumar Ramniranjan Tripathi is serving on the Board of the Company as an Independent Director for a term of 5 years w.e.f. June 01, 2020. Accordingly, the first term of Mr. Praveen Tripathi, as an Independent Director is expiring on May 31, 2025.

The Company has received the consent from Mr. Praveen Tripathi (DIN: 03154381) to act as the Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act and Regulation 16(1)(b). After taking into account the performance evaluation, during his first term and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Tripathi during his tenure as an Independent Director, the Nomination and Remuneration Committee at its meeting held on May 21, 2024 has considered, approved and recommended the re-appointment of Mr. Praveen Tripathi as an Independent Director for a second term of five consecutive years with effect from June 01, 2025, to the Board of Directors for its approval. The Board of Directors at its meeting held on May 22, 2024 has approved the proposal for reappointment of Mr. Praveen Tripathi as an Independent Director for a second term of five consecutive years with effect from June 01, 2025 to May 31, 2030.

The Board recommends the Resolution at Item No. 7 for approval of the shareholders by way of Special Resolution.

Except Mr. Praveen Tripathi or his relatives, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

**Item No. 8: Payment of commission to Non-Executive including Independent Directors of the Company**

The Nomination and Remuneration Committee and Board of Directors in its meeting held on May 21, 2024 and May 22, 2024 respectively had approved the payment of Commission not exceeding one percent of the net profit of the Company to the Non-Executive Independent Directors of the Company with effect from April 1, 2024.

In pursuance to Section 197, 198 and other relevant provisions of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall recommend all fees or compensation, if any, paid to non-executive Directors, including Independent Directors and shall require approval of shareholders in general meeting.

With the growing scale of the business of the Company, the role of the Non-Executive Independent Directors is of much importance to the Company. In view of the valuable contribution made by them towards overall engagement and their future responsibilities with the Company on various policies, strategic and governance related issues, it is proposed to pay Commission to them.

It is proposed to seek approval of the members of the Company under Section 197 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for payment of commission at the rate not exceeding one percent on the net profit of the Company computed in accordance with Section 198 of Companies Act, 2013. This remuneration will be distributed as per the decision taken by the Board from time to time. The above payment of Commission shall be over and above the sitting fees and reimbursement of expenses paid to the Directors for attending the meeting of the Board/Committee thereof. Accordingly, consent of the members is sought to pass a special resolution as set out at Item No. 8 of the Notice for payment of commission to Non-Executive Directors of the Company.

All the Non-Executive Directors and Independent Directors of the Company and their relatives are concerned/ interested in the resolution set out at Item No. 8 of the Notice. Other than this none of the directors, key managerial personnel or any of their relatives, are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Resolution at Item No. 8 for approval of the shareholders by way of Special Resolution.

**Item No. 9. Ratification of Indigo Paints- Employee Stock Option Scheme, 2024 ("ESOS, 2024")**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock-based compensation scheme. Your Company believes that equity-based compensation schemes are an effective tool to reward the talents working with the Company. With a view to motivate employees for their contribution to the corporate growth, to create an employee ownership culture and to retain them for ensuring sustainable growth, your Company intends to implement an employee stock option scheme namely 'Indigo Paints- Employee Stock Option Scheme 2024'("ESOS 2024") seeking to cover all eligible employees of the Company.

The following would, inter alia, be the broad terms and conditions of ESOS 2024:

**a) Brief description of ESOS 2024**

The objective of the ESOS 2024 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 2024 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.

**b) Total number of options to be offered and granted under ESOS 2024:**

A total of 2,50,000 options would be available for being granted to employees of the Company under the ESOS 2024. Each option when exercised would be converted into one Equity Share of ₹ 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.

**c) Identification of classes of employees entitled to participate in the ESOS 2024 and be beneficiaries in the scheme:**

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; and

iii. Director who either by himself or through his relatives or through any bodycorporate, 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 2024 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 as per vesting schedule mentioned below:

- At the End of 1st Year from the date of Grant- 10% of the options Granted
- At the End of 2nd Year from the date of Grant 20% of the options Granted
- At the End of 3rd Year from the date of Grant- 30% of the options Granted
- At the End of 4th Year from the date of Grant- 40% of the options Granted

In case the options are vested in fraction/s, such fraction/s amount shall be exercised at the end of the fourth year of vesting.

**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 48 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 2024 in aggregate per employee under ESOS 2024 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 fifty thousand).

Further, the number of Options that may be granted to any specific identified employee under ESOS 2024 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:**

The Company shall adopt 'fair value method' for valuation of Options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.

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 "Board's Report") and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Board's 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/ her 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 2024/ Whether the scheme is to be implemented and administered directly by the Company or through a trust**

The ESOS 2024 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 2024 provides for further shares to be offered to employees of the Company, consent of the shareholders is being sought to approve the ESOS 2024 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 2024.

The Board recommends the resolutions set out at Item No. 9 of this Notice for your approval as a special 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 | Mr. Narayanankutty Kottiedath Venugopal | Mr. Parag Hemant Jalan |
|---|---|---|
| Director Identification Number | 00296465 | 10638804 |
| Category | Executive Director | Additional Director (Non-executive) |
| Date of Birth | 13/09/1948 | 24/07/1987 |
| Age | 76 | 37 |
| Nationality | Indian | Indian |
| Date of First Appointment on the Board | 24/02/2016 | 22/05/2024 |
| Relationship between Directors inter-se and KMPs | NA | Son of Managing Director |
| Qualifications | B.Sc in Mechanical Engineering from the University of Kerala. PGDM from Indian Institute of Management, Calcutta | Bachelor Degree of Chemical Engineering from the University of Delaware and a Master of Business Administration degree from Yale University. |
| Expertise in specific functional area. | He has over 41 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 | He has several years of experience in consultancy services. Previously, he was associated with BlackRock, Inc., Clinton Health Access Initiative, Inc. as a country support manager, Southeast Asia and McKinsey & Company, Inc., United States as an associate. Presently, he is associated with One Acre Fund as a consultant. |
| Details of Board Meetings attended by the director during the year | During the Financial Year 2023-24, he attended 5 out of 5 meetings of the Board. | NA |
| Terms and Conditions of Appointment or re-appointment along with remuneration | Executive Director, liable to retire by rotation | Non-Executive Director, liable to retire by rotation |
| Remuneration last drawn | ₹ 1,65,93,188 | NA |
| Membership of Committees of Indigo Paints Limited | Risk Management Committee<br>Stakeholder's Relationship Committee | Corporate Social Responsibility Committee |
| Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years | NIL | NIL |
| List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies) | NIL | NIL |
| Membership/ Chairmanship of Committees across other Public Companies | NIL | NIL |
| Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner | 10,000 Equity Shares | 16,25,000 Equity Shares |
| Skills and capabilities required for the role and the manner in which the proposed person meets such requirements. | NA | NA |

| Name of the Director | Mr. Sunil Badriprasad Goyal | Mr. Praveen Kumar Ramniranjan Tripathi |
|---|---|---|
| Director Identification Number | 00503570 | 03154381 |
| Category | Independent Director (Non -Executive Independent ) | Independent Director (Non -Executive Independent) |
| Date of Birth | 04/10/1967 | 04/06/1957 |
| Age | 57 | 67 |
| Nationality | Indian | Indian |
| Date of First Appointment on the Board | 13/11/2014 | 13/11/2014 |
| Relationship with Directors and KMPs | NA | NA |
| Qualifications | A Qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) B. Com from the University of Rajasthan | PGDM from Indian Institute of Management, Ahmedabad B.Tech in Electrical Engineering from the Indian Institute of Technology, Kanpur |
| Expertise in specific functional area. | He is a Member of the Institute of Chartered Accountants of India, is the Founder and Managing Partner of Kreston SGCO Advisors LLP and the Founder and Mentor of SGCO & Co., Chartered Accountants, a well-known accountancy firm based in Mumbai. He is also the Chairman & Managing Director of Ladderup Group engaged in financial services. He leads a team of more than 300 professionals in his group and is a former member of the Global Board of Kreston Global, UK, headquartered in London. He has also served as the Chairman of WIRC of The Institute of Chartered Accountants of India (ICAI) with 35 years of experience. He specialises in the field of financial and business consultancy with core strengths in fund raising, business restructuring, mergers and acquisitions, strategic alliances and capital markets. He is also on the Boards of other reputed companies. | 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 and Kisan Mouldings Pvt Ltd. 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 is currently a member of Awareness and Communications Strategy Advisory Council of UID Authority of India (April 2023 to till date). 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. |
| Details of Board Meetings attended by the director during the year | During the Financial Year 2023-24, he attended 5 out of 5 meetings of the Board. | During the Financial Year 2023-24, he attended 5 out of 5 meetings of the Board. |
| Terms and Conditions of Appointment or re-appointment along with remuneration | Non-Executive Independent Director, not liable to retire by rotation | Non-Executive Independent Director, not liable to retire by rotation |
| Remuneration last drawn | ₹ 15,00,000/- received as sitting fees and Commission | ₹ 15,00,000/- received as sitting fees and Commission |
| Membership of Committees of Indigo Paints Limited | 1. Audit Committee<br>2. Nomination and Remuneration Committee | 1. Audit Committee<br>2. Nomination and Remuneration Committee<br>3. Risk Management Committee<br>4. Corporate Social Responsibility Committee |

| Name of the Director | Mr. Sunil Badriprasad Goyal | Mr. Praveen Kumar Ramniranjan Tripathi |
|---|---|---|
| Names of other listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years | **Directorships**<br>1. Ladderup Finance Limited<br>2. JSW Energy Limited<br>**Membership of Committees in:**<br>**Ladderup Finance Limited**<br>1. Audit Committee -Member<br>2. Stakeholders Relationship Committee - Member<br>3. Corporate Social Responsibility Committee - Chairperson<br>4. Investment committee - Member<br>5. Prevention of Sexual Harrasment Committee - Member<br>6. Credit Committee –Chairperson<br>**JSW Energy Limited:**<br>1. Audit Committee -Chairperson<br>2. Nomination and Remuneration Committee - Member<br>3. Stakeholders Relationship Committee - Chairperson<br>4. Risk Management Committee - Member<br>5. Sustainability Committee -Chairperson<br>**Listed entities from which the person has resigned in the past three years:**<br>1. Parag Milk Foods Limited- resigned w.e.f. 25/05/2020 | NIL |
| List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies) | 1. Ladderup Finance Limited<br>2. JSW Energy Limited<br>3. JSW Hydro Energy Limited | NIL |
| Membership/ Chairmanship of Committees across other Public Companies | NIL | NIL |
| Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner | 301 Equity Shares | 301 Equity Shares |
| Skills and capabilities required for the role and the manner in which the proposed person meets such requirements. | Same as mentioned in "Expertise in specific functional area." | Same as mentioned in "Expertise in specific functional area." |

By order of the Board
**For Indigo Paints Limited**

**Dayeeta Gokhale**
Company Secretary & Compliance Officer
Membership No. A50582
Place: Pune
Date: July 13, 2024
Registered Office:
Indigo Tower, Street-5, Pallod Farm-2,
Baner Road Pune -411045

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Be surprised!

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