



**INDIGO**

Be surprised!

**Expanding  
Horizons.  
Painting a  
bolder future.**

Indigo Paints Limited  
Annual Report 2022-23

# Contents

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For more information,  
please, visit our website  
([www.indigopaints.com](http://www.indigopaints.com))  
or scan the QR code



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We have always sought unexplored horizons of opportunity, undeterred by challenges. For decades we have demonstrated our bolder ambition to make a difference in the industry by steadily ramping up our capacities, expanding our offerings, growing our market presence organically and inorganically, investing in our brand and strengthening our revenue and profitability.

FY23 saw us cross the 1,000-crore revenue milestone, aided by the support and encouragement of all our customers, partners and other stakeholders. We will continue to unveil refreshing and vibrant innovations; and live up to our brand reputation of being a futuristic thinker and a formidable storehouse of amazing new product development.

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Many more horizons beckon us as we move forward. Our commitment to excellence, customer-centric approach and strategic initiatives will enable us to **paint a bolder and brighter future** for all stakeholders.

## About us

# Bigger. Better. Bolder

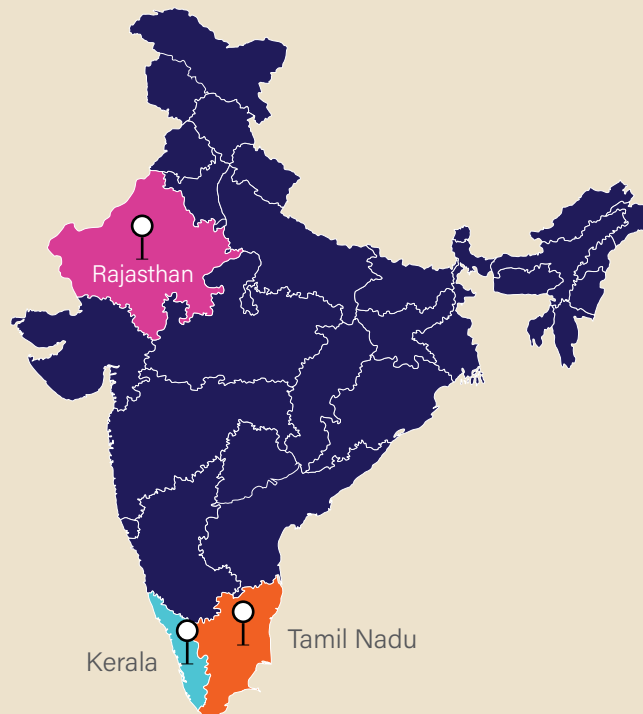
Indigo Paints, India's fifth largest\* and fast-growing decorative paints brand, continues to grow over the last two decades.

Starting out as a small company with a focus on innovation and customer satisfaction, Indigo Paints has grown rapidly to become one of India's leading paint companies.

We are known for our wide range of innovative products, including metallic coat emulsions, tile coat emulsions, bright ceiling coat emulsions, floor coat emulsions, and many more. The company's products are known for superior quality and are manufactured using state-of-the-art technology.

Our strong distribution network ensures that our products are available to customers across India. The company also has a team of experienced and qualified professionals who are committed to providing excellent customer service.

### Our manufacturing presence



\* By market capitalisation

## Quick review



## Operational

5\*

Manufacturing units

Present across all

**28 States**

and all the Union Territories in India

**16,496**

Active dealer network



## Financial

**ZERO**

Debt on books

Revenue from operations:

**₹ 1,073.33 Crore**(up by **18.47%** y-o-y)

EBITDA:

**₹ 181.53 Crore**(up by **33.50%** y-o-y)

PAT:

**₹ 131.94 Crore**(up by **56.98%** y-o-y)

## Strategic#

Acquired

**51%**

stake in Apple Chemie, a fast-growing company in construction chemicals and water proofing space

**5th**

largest paint company in India by market capitalisation

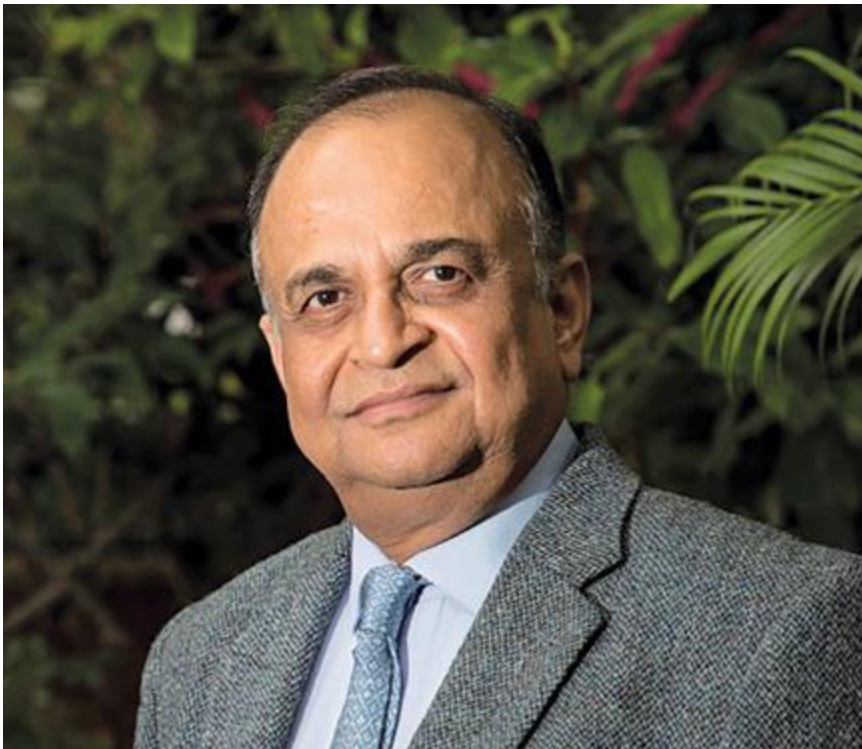
**31.2%**

Revenue contribution from highly differentiated products

\* Pudukkottai Plant, in Tamil Nadu with capacity of 50,000 KLPA is under trail and new water based plant at Jodhpur with capacity of 90,000 KLPA is proposed  
 # 51% stake in Apple Chemie acquired on April 03, 2023.

# Chairman & Managing Director's Message

## Where courage meets commitment



**// Our operational income crossed the milestone of ₹ 1,000 Crores, increasing from ₹ 905.97 Crores in FY 22 to close at ₹ 1073.33 Crores in FY 23, a growth of 18.47%. Our gross margin stood at 44.54% (compared to 43.32% in FY22) has been the best in the industry. //**

### Dear Shareholders,

Ever since we began our journey, our philosophy has always been to cater to the evolving aspirations of customers with vibrant offerings, driven by sparkling innovations. Over the years, we have not just reinforced our brand reputation and outreach across India's bustling cities and towns, we have also grown the scale and size of our business organically and inorganically and enhanced our operational efficiency, painting a bolder roadmap of future growth.

We have taken full advantage of the conducive macro environment, as India's economic growth and consumption engine rebounded faster in FY23, compared to other major economies of the world. Yes, at Indigo Paints courage to travel the extra mile meets the commitment to co-create value.

Before I present the financial and operational review of your Company, let me first share that in FY23 we have crossed the milestone of ₹ 1,000 Crores in net revenue. We are thankful to all members of our team for this achievement. It is due to their continued commitment to our vision, professionalism and passion that we have been able to achieve this milestone. I also appreciate the support of our suppliers as well as our customers for complementing our efforts.

### Expanding horizons with growing expertise

Notwithstanding challenges, we have accomplished a positive volume growth in all the segments in the reporting

year. Our operational income crossed the milestone of ₹ 1,000 Crores, increasing from ₹ 905.97 Crores in FY 22 to close at ₹ 1073.33 Crores in FY 23, a growth of 18.47%. Our gross margin at 44.54% (compared to 43.32% in FY23) has been the best in the industry. Our EBIDTA margin and PAT margin stood at 16.91% and 12.18%, respectively. Our robust margins are the result of our differentiated product mix, proactive cost-optimisation measures and also moderating raw material costs. We have always invested in brand-building initiatives, and will continue to do so in the years to come. However, our brand-building expenditure will be determined by our key strategic priorities.

As a part of our inorganic expansion plans, we have acquired a 51% stake in Apple Chemie India Private Limited through a combination of primary capital infusion into the company and secondary share purchase transactions with the promoters. This strategic decision has enabled us to widen our offerings and strengthen our foothold in the waterproofing and construction chemical space.

Apple Chemie has developed a wide range of products, which complement our products, giving us the opportunity to leverage synergies. It also has a distinguished clientele, which includes India's leading engineering and construction conglomerates. With the government's growing focus on capital expenditure as articulated in various Union Budgets and Apple Chemie's robust client base, Apple Chemie is poised to emerge as a pan-India player to reckon with.

### Priorities for the future

With robust gross margins and profitability, our topline growth is likely to be leading the industry average in the foreseeable future. Our immediate priority is to accelerate the pace of expansion of our manufacturing capacity. I am happy to inform, our

// **During the year under review, our active dealers and tinting machine population stood at 16,496 and 8,273 respectively. There will also be renewed focus on improving throughput per active dealer.** //

new paint plant at Pudukkottai in Tamil Nadu will soon commence commercial production. We are now beginning to commence work on setting up a state-of-the-art water based paint plant at Jodhpur with a 90,000 KL annual capacity.

We will also continue to widen our portfolio of value-added offerings to customers across Tier-1 cities, Tier-2 cities, as well as smaller towns. We have already launched a range of waterproofing products, which is expected to contribute approximately 8-9% of our sales in the next 2-3 years. The launch of these products are likely to be accompanied with advertising campaigns featuring our Brand Ambassador MS Dhoni. The recent addition of superstar Mohanlal to our brand wagon will only widen our reach and contribute to business growth.

On the network expansion front, we are sharpening our focusing on enhancing the throughput per active dealer and increasing the number of active dealers and our tinting machine population steadily. During the year under review, our active dealers and tinting machine population stood at 16,496 and 8,273, respectively.

Empowering our teams through trainings and reducing our environmental footprint remain our 24X7 priority. Concurrently, we are making efforts to make our facilities more safer. We are regularly tracking and improving our ESG performance.

### Surprise and delight

We will continue to innovate in order to surprise and delight our customers, who help drive our growth. Organic and inorganic expansions to gain market share in the paints and allied segments are also part of our future roadmap. In all these years, we have been keen to reward our shareholders. I am happy to inform that our Board has recommended a dividend of ₹ 3.50 per share, compared to ₹ 3 per share in the last fiscal year.

We are shaping a vibrant legacy of growth and value creation for all stakeholders and your confidence and support means a lot to us.

Regards,

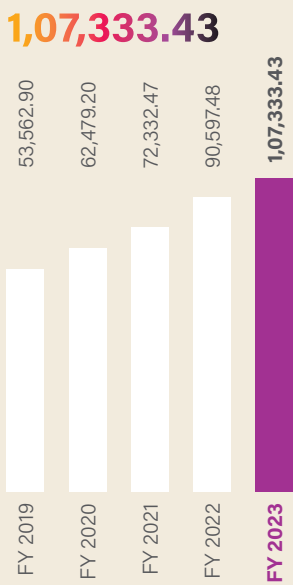
**Hemant Jalan**  
Chairman/Managing Director



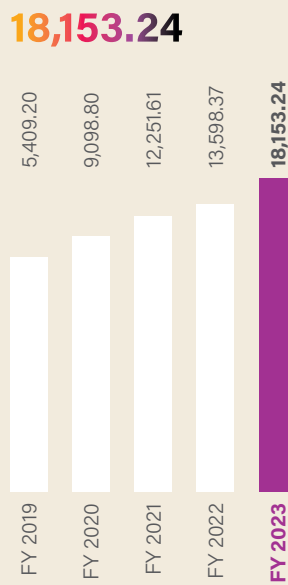
# Performance highlights

## Amplifying value with agility

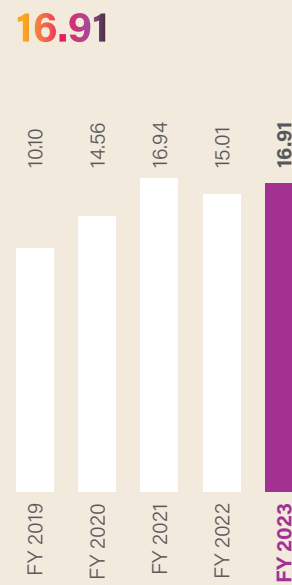
**Revenue from operations**  
(₹ in Lakhs)



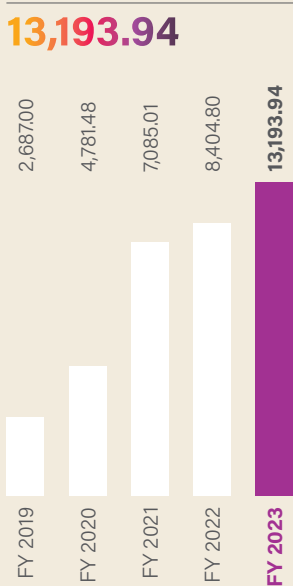
**EBITDA**  
(₹ in Lakhs)



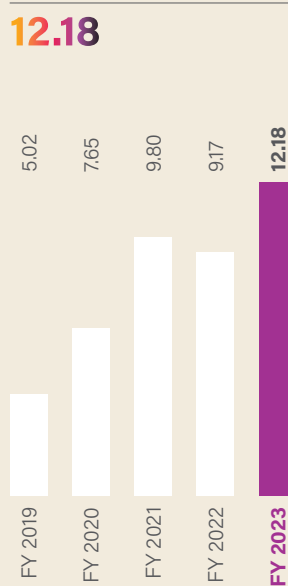
**EBITDA margin**  
(%)



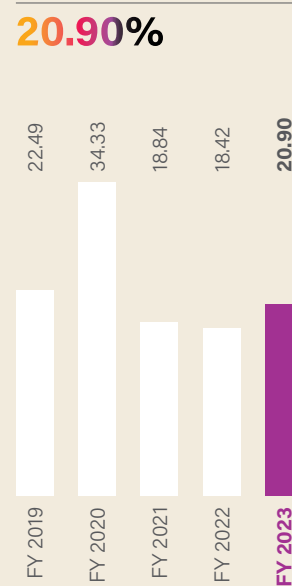
**PAT**  
(₹ in Lakhs)



**PAT margin**  
(%)



**ROCE**  
(%)





**RoNW\*****17.00****Cash from operations**

(₹ in Lakhs)

**14,054.10****EPS**

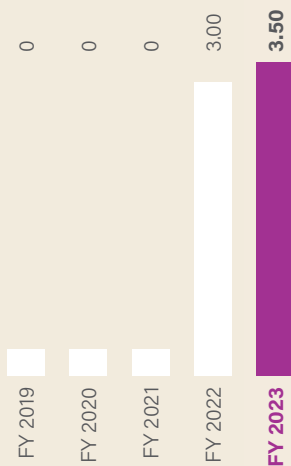
(In ₹)

**27.73**

\* Refer to page no 52

**Dividend per share**

(In ₹)

**3.50**

## Our offerings

# Solutions that reflect our audacious innovation



Emulsions



Enamels



Wood Coatings



Primers



Distempers



Cement Paints



Putties

A comprehensive range of waterproofing and construction chemical solution



Aquashield



Crack Heal Paste



Damp Seal Primer



Dampstop 2K



Leakproof Emulsion



Superseal



## Strategic acquisition

# Driven by a shared vision of innovation, sustainability and market leadership

As a leading player in the decorative paint industry, Indigo Paints' acquisition of Apple Chemie India Private Limited brings unparalleled synergies of growth. The collective expertise, resources, and market reach of both the companies would fuel innovation, drive operational efficiencies, and open doors to new growth opportunities.



### Indigo Paints

Among the **leading** players in decorative paints industry

**A growing** market share in decorative paints sector

### Operational strengths

Presence in all **28 States and all Union Territories** in India

**16,496** active dealers

## Quick facts

# 51%

Stake of Apple Chemie acquired\*

# ₹ 29.33 Crore

Transaction cost for Indigo Paints

Option to acquire additional stake in Apple Chemie at the end of

# 3 years



## Apple Chemie

### A fast-growing

Company in construction chemicals and water proofing industry targeting B2B segment

Current industry size of construction chemicals worth

## ₹ 15,000 Crore

### R&D driven organisation

with expertise in developing industrial grade water proofing and construction chemicals products

## Synergies post-acquisition

A combined entity to serve customers with a wide range of decorative paints and construction chemical portfolio

Indigo Paints to manufacture, market and distribute water proofing and construction chemicals products in the B2C Segment

Apple Chemie to rapidly expand the marketing and distribution network pan India for the water proofing and construction chemicals products targeting the B2B segment

## Operational strengths

Presence largely in the

### State of Maharashtra

in India

Marquee Clients

### B2B space

across infrastructure and construction companies

Significant potential of business growth, leveraging wide distribution of Indigo Paints and R&D expertise of Apple Chemie for continuous new product development, with excellent synergies and cross-functional knowledge exchange.

\*51% stake in Apple Chemie acquired on April 03, 2023.

# Our business model

## Co-creating value with all stakeholders

### Input



**Finance Capital**

₹ 77,612.75 Lakhs  
Total equity and a Debt Free Company



**Manufacturing Capital**

5\*  
Manufacturing units

₹ 56,001.33 Lakhs  
Gross block



**Intellectual Capital**



**Social and Relationship Capital**

<b>Pan India presence</b>	<b>1.22 Lakhs+</b> Investors
<b>16,496</b> Active dealers	<b>₹ 182 Lakhs</b> CSR spend



**Natural Capital**

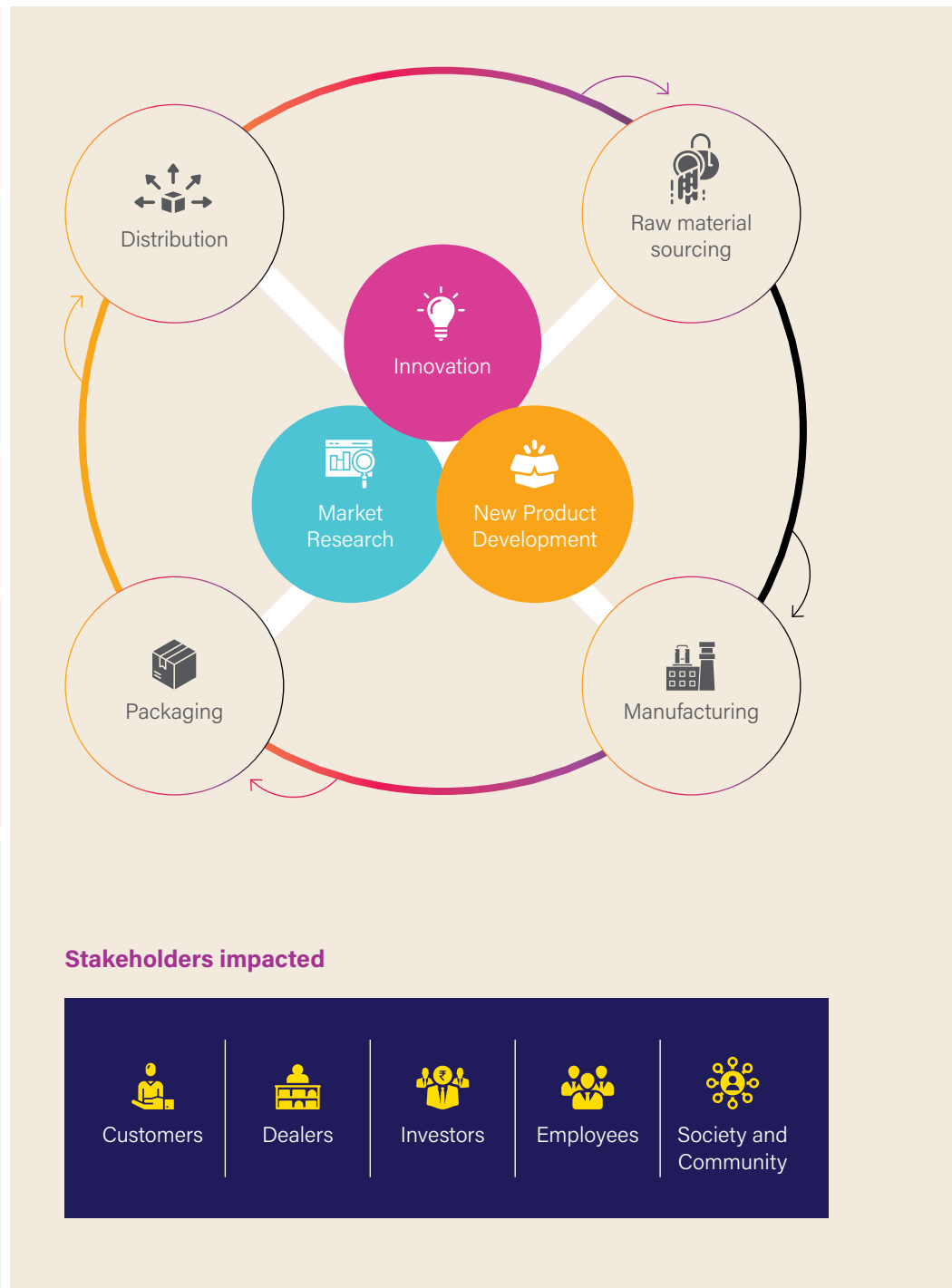
**18,329 GJ**  
Total Energy Consumption

**0.24 KL/KL of FG**  
Specific Water Consumption


**1521 KL**  
Total Rainwater Harvested

**2736 KL**  
Total Water Recycled


### Value creation process




### Stakeholders impacted




Customers




Dealers



Investors



Employees



Society and Community

\*Pudukkottai facility under trial production



## Product offerings



Cements+Putty



Primers + Distempers + Others



Emulsions



Construction chemicals \*



Enamels + Wood Coatings



Waterproofing chemicals \*

## Output



**₹ 1,07,333.43 Lakhs**

Turnover

**₹ 18,153.24 Lakhs**

EBITDA

**₹ 13,193.94 Lakhs**

PAT



**1,10,000 KLPA + 1,38,000 MTPA**  
installed capacity



**31.2%**

Revenue derived from new and differentiated products

**4**

products launched in FY 23



**₹ 1427.07 Lakhs**

Dividend payment (Paid out in FY 23)

**₹ 4,79,856 Lakhs<sup>#</sup>**

Market capitalisation

**1,000+**

Direct beneficiaries



**4561 tCO2e**

GHG Emissions (Scope 1 + Scope 2)

**4.77%**

Reduction in Specific Water Consumption

**7.25%**

Reduction in Specific Energy Consumption

**48.21%**

Reduction in Hazardous Waste Generation

**2.75%**

Reduction in total waste generation

**18.96%**

Increase in Water Recycling

\* Including Apple Chemie

<sup>#</sup>as on March 31, 2023

## Brand reputation

# More prominent, more impactful

At Indigo Paints, we continue to actively invest in strengthening our brand quotient. Through multiple platforms, we are scaling our efforts to fuel the growth of our brand equity, propelling our success in a highly competitive industry. By prioritising brand equity, we remain committed to staying ahead of the curve and leveraging the strength of our brand to drive our business forward.

### Brand ambassadors

We are proud to have the legendary MS Dhoni and the iconic Mohanlal representing our brand. Their association with us exemplifies our commitment to excellence and resonates with our diverse consumer base. Last year, we unveiled a captivating advertising campaign focused on our specialised Dirt & Waterproof (D&W) range, showcasing the durability and reliability of our products. Additionally, we recently launched an engaging advertising campaign targeting the economy range of products, highlighting their affordability without compromising on quality. These strategic initiatives reinforce our brand's promise of delivering exceptional value and cater to the evolving needs of our valued customers.





**D&W Campaign**

Indigo Paints presents our new campaign featuring the legendary superstar Mohanlal, exclusively designed for Kerala. This campaign focuses on promoting our premium exterior wall paint, D&W Exterior Laminate. Drawing inspiration from iconic characters from Mohanlal's memorable movie, Dasan and Vijayan, the campaign aims to create a strong emotional connection and generate higher recall among our valued customers.

**Economy Range Ad Campaign**

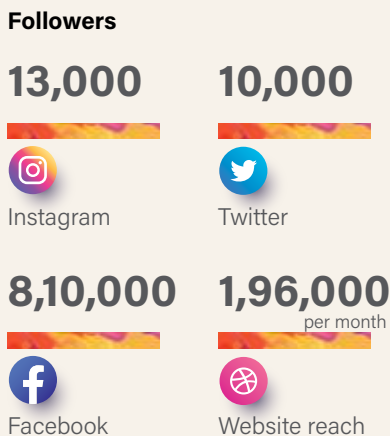
During the recently concluded IPL season, Indigo Paints launched an exciting campaign for our economy range of exterior emulsion called 'Indigo Exterior Gold Emulsion'. This campaign highlights the exceptional coverage offered by Indigo Paints, earning it the title of 'Bachatwala Paint'. With this campaign, we aim to showcase the superior quality and affordability of our products to our discerning customers.

**Waterproofing and Construction Chemicals**

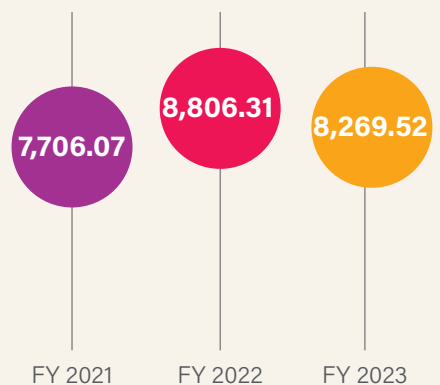
In our continuous pursuit of excellence, Indigo Paints has expanded its portfolio to include waterproofing and construction chemical segments. Under our 'Protect Plus' series, we have introduced seven innovative products that provide superior protection against water seepage and dampness. Whether it is interior or exterior surfaces, terraces, or chajjas, our 'Protect Plus' series is designed to meet all waterproofing requirements. With advanced formulations and long-lasting effectiveness, Indigo Paints ensures that your surfaces remain protected for years to come.

**Digital outreach**

We have effectively leveraged diverse social media platforms to promote our brands and communicate our unique value propositions. By leveraging the power of social media, we have not only achieved significant business growth but also heightened the visibility and recognition of our brand. This strategic approach to digital marketing has enabled us to connect with a wider audience and establish a strong online presence in the market.



**Advertisement & Promotion Expenditure (₹ in Lakhs)**





## Product innovation

# Unveiling solutions that create a buzz

### Leakproof Emulsion



Indigo Leakproof is a flexible, microfiber-reinforced elastomeric membrane designed to tackle any exposed roof slab, whether new or old, flat or sloped. Experience long-lasting protection for your structures with this exceptional product.

#### Key Features:

- Remarkable six-year waterproofing warranty for complete peace of mind.
- Elastomeric properties provide excellent crack bridging, forming a seamless barrier against water ingress.
- Enhanced mechanical strength with fiber reinforcement, ensuring durability against external stresses.
- Anti-algal and anti-fungal properties to maintain a clean and aesthetically pleasing roof or terrace.

### Damp Seal Primer



Discover the power of Damp Seal Primer, a high-performance solution designed to safeguard your walls from water seepage. Whether it's for interior or exterior surfaces, this primer provides superior protection and peace of mind.

#### Key Features:

- Unmatched adhesion to weak surfaces, ensuring a strong and long-lasting bond.
- Effective sealing of small pores in the plaster, preventing water from entering and leaving your walls completely damp-free and salt-free.
- Enjoy a worry-free experience with our 3-year warranty, guaranteeing lasting performance.
- Exhibits exceptional damp resistance and anti-efflorescence properties, keeping your walls pristine and free from unwanted moisture-related issues.

## Exterior Emulsion (Silver)



Introducing Silver Exterior Emulsion, an unbeatable choice for those seeking an economical yet high-quality solution. This acrylic-based emulsion not only offers excellent coverage and opacity but also surpasses the durability of ordinary cement paints.

### Key Features:

- Exceptional coverage and opacity, ensuring a smooth and flawless finish that lasts.
- Acrylic-based formulation, providing superior durability compared to conventional cement paints.
- Discover the power of economical solutions

## Premium XT Sheen



Introducing Premium XT Sheen, a water-based, highly durable acrylic emulsion paint specifically designed for external masonry surfaces. This exceptional paint not only delivers a soft sheen finish but also offers a host of extraordinary benefits.

### Key Features:

- Withstands the harshest weather conditions for long-lasting and resilient exteriors.
- Offers advanced anti-algae and anti-fungal properties to keep surfaces clean and pristine.
- Engineered paint film repels water, providing added resistance against moisture for a flawless appearance over time.

## Robust distribution

# Expanding network with deep insight

At Indigo Paints, we recognise the significance of a dynamic and efficient supply chain and distribution network in establishing a strong market presence. With this understanding, we have invested in building a robust infrastructure that enables us to deliver our products swiftly across a wide dealer network.

### Stepping up our supply chain strategy

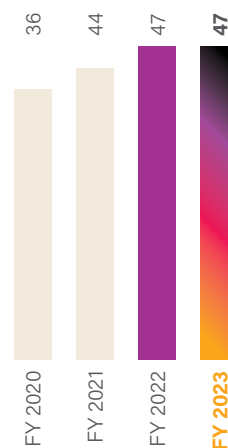
Our Supply Chain strategy revolves around leveraging cutting-edge technologies, such as automation, artificial intelligence, and data analytics, to optimise every aspect of our supply chain. By integrating these advanced tools, we aim to streamline our processes, reduce lead times, and enhance overall operational efficiency.

Our manufacturing operations are supported by a well-structured distribution and logistics network. This strategic setup ensures that our

products reach customers, enabling us to effectively penetrate the market and cater to their diverse needs.

By maintaining a nimble footed supply chain, we are able to respond swiftly to market demands, optimise our inventory management, and enhance customer satisfaction. We continually strive to refine and streamline our supply chain processes, utilising the latest technologies and industry best practices.

### Depots



### Strengthening partnerships

At Indigo Paints, we understand the significance of a strong dealer network in driving business growth and customer satisfaction. To ensure our dealers' success, we have implemented strategic initiatives to enhance our partnership.

We prioritise equipping our dealers with comprehensive product knowledge through regular training programs. This empowers them to provide accurate information and guidance to customers, instilling confidence in our brand. Additionally, we actively engage with our dealers, seeking their feedback and collaborating on marketing initiatives to drive mutual growth. By investing in impactful marketing campaigns, we increase brand visibility and attract more customers to our dealers' stores. Furthermore, we work closely with our dealers to optimise shelf space allocation and product placement, ensuring that our products stand out and capture customers' attention.

### Active dealer network

(In Nos.)



**CAGR 13.67%**

Growth in dealer network in last 4 years

### Exploring creativity with tinting machines

The innovative tinting machines are capable of accurately and efficiently creating custom colours by mixing different pigments into base paints. This technology allows Indigo Paints to provide an extensive range of colour options to its customers, catering to their unique preferences and design needs. With tinting machines, painters, decorators, and DIY enthusiasts can easily achieve the exact shade they desire, whether it's a vibrant accent colour or a subtle pastel hue.



### Tinting machines

(In Nos.)



**CAGR 24.41%**

Growth in last 4 years



# People

## Together, we make a difference every step of the way

We believe that by investing in our teams, we are investing in the future of our business. We believe that our people are our greatest asset, and we strive to create a workplace where they can thrive collectively.



### Fostering employee engagement

Indigo Paints is committed to creating a thriving workplace where employees can flourish. The company offers professional development opportunities, including training programs and workshops, to keep employees up-to-date with industry trends and foster career growth. Employee recognition programs celebrate their hard work and achievements, motivating them to excel further. Flexible work arrangements and wellness programs promote work-life balance and enhance employee well-being. With a fun and supportive work environment, Indigo Paints fosters a sense of belonging and camaraderie among employees, resulting in increased productivity and job satisfaction.

**848**

Employees

**6.81%**

Employee cost





### Putting safety first

At Indigo Paints, the health and safety of our employees are paramount. We have implemented a comprehensive occupational health and safety program that encompasses stringent safety protocols, regular training sessions, and the use of advanced safety equipment. Our commitment to providing a safe work environment extends beyond compliance; it is a strategic priority. We firmly believe that a safe and healthy workforce is essential for sustainable growth and business success. By prioritising occupational health and safety, we not only protect our employees from potential hazards but also enhance productivity, boost employee morale, and reduce costs associated with accidents or injuries.



## Zero

Incidents of fatalities in last 5 years



# Corporate Social Responsibility

## Leaving a positive impact

The pillars of our CSR strategy are education and empowerment, intricately woven into our initiatives. Through these endeavours, we at Indigo Paints strive to effectuate change, laying the groundwork for a society where opportunities are not limited by socio-economic constraints.

₹ **182** Lakhs **1000+**  
 CSR expenditure      CSR benefactors

### Enhancing girls' education

In alliance with the Payal Jalan Charitable Trust, we have crafted a comprehensive educational plan, offering conventional schooling, and mentorship programmes for underprivileged girls from 10th class

onwards. During the FY 23, 53 students appeared for SSC Board and 49 appeared for HSC Board and all cleared the exams with good results.

**150**  
 Girl Child Benefitted





### Fostering women's empowerment

Beyond our educational outreach, we also target the empowerment of women from marginalised sectors. In collaboration with 'CORO', a prominent NGO, we focus on enhancing the leadership and administrative skills of these women. Our goal is to arm them with self-confidence and independence, enabling them to overcome societal barriers and improve their livelihoods.

**1,000+**

Women empowered



### Future initiative

In the upcoming fiscal year (FY 23-24), we are expanding our CSR efforts by adopting a palliative care facility in Kochi, Kerala through Cancure Foundation. This facility provides care to around 50 terminally ill patients, many of whom are battling cancer. The facility also provides free dialysis for the economically weaker sections of the society. Our support will be directed towards improving the quality of care for these patients, striving to offer comfort and medical assistance in their time of need.

**40+**

Patients covered





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

**Education**

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



**Anita Jalan**

Executive Director

**On the Board since March, 2000**

Born in the year 1960

**Professional Experience**

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

**Education**

- B.Sc in Home Science



**Narayanan Kutty Kottiedath  
Venugopal**

Executive Director

**On the Board since February, 2016**

Born in the year 1948

**Professional Experience**

- He has over 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

**Education**

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

## Board of Directors (Contd...)



**Ashwini Deshpande**  
Independent Director

### On the Board since May, 2023

Born in the year 1966

### Professional Experience

- Experience of over 30 years as a Brand, Design & Design Thinking expert with award-winning work in the fields of Foods, Personal Care, Automobile, Healthcare, Homecare, Fashion and Sports Leagues.
- Co-founder of Elephant Design, India's pioneering independent design consultancy with presence in India & Singapore.
- Executive Member of The Design Alliance Asia consortium.
- Active member of Association of Designers of India (ADI) & charter member of The Indus Entrepreneurs (TiE)
- On the advisory board of design programmes at IIT (G), Nirma University, FLAME University among others.
- Editor of 'Colours of Asia' book based on a collaborative research project spanning across 11 Asian countries.
- 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 & 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.
- He is currently the President of the The Indus Entrepreneurs Association (TiE), Pune Chapter.
- 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, Extraedge Technology Solutions Private Limited, Sunshot Technologies Private Limited and Ronin Wines Private Limited.
- He has been an entrepreneur for most of his professional life.
- He was previously associated with Tasty Bite Eatables Limited as the Managing Director.

### Education

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

## Board of Directors (Contd...)



**Praveen Kumar Tripathi**  
Independent Director

### On the Board since November, 2014

Born in the year 1957

### Professional Experience

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

### Education

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



**Sakshi Chopra**  
Nominee Director

### On the Board since October, 2018

Born in the Year 1978

### Professional Experience

- She has over 13 years of experience in private equity funds.
- 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, Purple, Wakefit, Hector Beverages, and B9 Beverages.
- 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.

## Board of Directors (Contd...)



**Sunil Goyal**  
Independent Director

### On the Board since November 2014

Born in the Year 1967

### Professional Experience

- He has over 32 years of experience in the field of Financial and Business consultancy, with core strengths in fund raising through debt and equity, business restructuring, business valuations, M&A, strategic alliances and capital markets.
- He is also serving as an Independent Director on the Board of JSW Energy Limited and JSW Hydro Energy Limited.
- He is the Founder and Managing Partner of Kreston SGCO Advisors LLP and the Founder of SGCO & Co. a well-known accountancy firm based in Mumbai.
- He is the Founder of Ladderup Group, engaged in Investment Banking and Wealth Management activities.
- He leads a team of more than 300 professionals in his group and was a member of the Global Board of Kreston International Limited, UK, headquartered in London.
- He has also served the as the Chairman of the Western India Regional Council of the Institute of Chartered Accountants of India for the year 2006 – 2007.

### Education

- A Qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI)
- B. Com from the University of Rajasthan

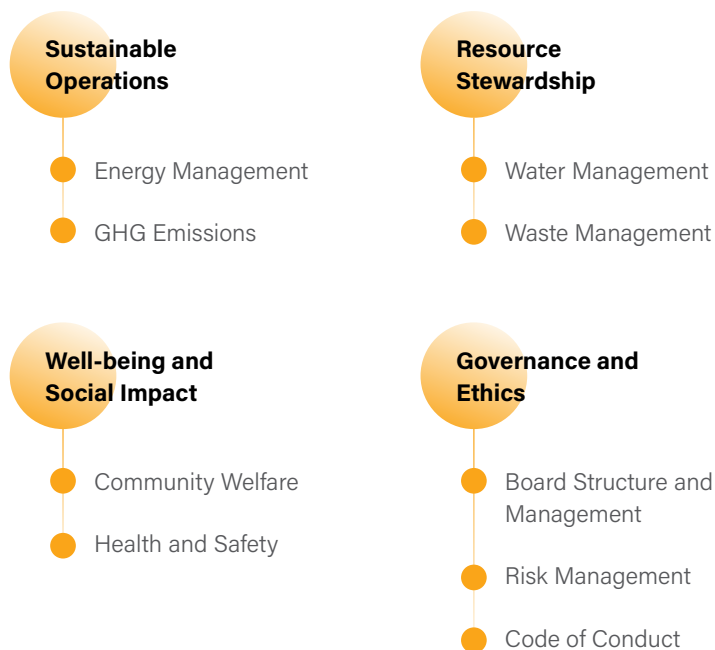


# Initiatives towards Sustainability

Indigo Paints acknowledges the importance of materiality assessment in understanding the critical areas that significantly influence our business performance and stakeholder interests. Last year, we conducted an extensive materiality assessment to gain insights into the key environmental, social, and governance (ESG) issues that matter most to our stakeholders. The assessment involved comprehensive stakeholder engagement, enabling us to identify the material topics that hold utmost importance for our organisation. This year, we continue to focus on the material topics identified during the previous assessment, recognising their ongoing relevance and the need for sustained efforts.

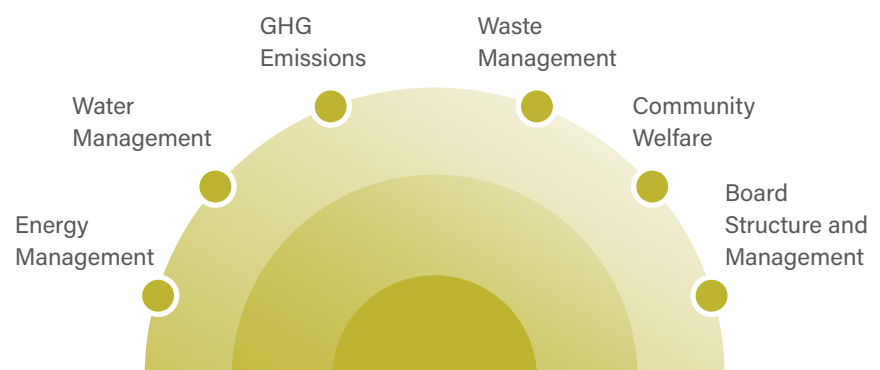
## Materiality Topics

Based on our comprehensive materiality assessment conducted, we established a list of nine material topics that emerged as critical focus areas. These topics reflect the key concerns and expectations of our stakeholders, driving our commitment to long-term sustainable progress. We categorised our nine material topics under four broad areas:



## Focused Efforts

In the current year, we have concentrated our efforts on six material topics that were identified during the previous materiality assessment. These topics continue to be of significant importance and serve as a guide for our actions in creating sustainable value for our stakeholders. The material topics that received specific focus this year are:



As we progress on our sustainability journey, we remain committed to addressing all nine material topics identified through our previous materiality assessment. While we have prioritised certain areas this year, we acknowledge the ongoing relevance and significance of the remaining material topics. In the coming years, we will expand our efforts, aligning them with stakeholder expectations and our sustainability goals. We recognise the value of our stakeholders' perspectives

and contributions, as they continue to guide our decision-making processes and drive our pursuit of meaningful and sustainable outcomes.

Indigo Paints firmly believes that sustainability is a collective responsibility and an integral part of our business strategy. We are committed to transparent and collaborative practices, nurturing strong relationships, and aligning our actions with stakeholder interests. By focusing our efforts on

the identified material topics and expanding our initiatives in the future, we aim to create positive and lasting impacts on our business, society, and the environment. Together with our stakeholders, we can pave the way for a more sustainable and resilient future.

Materiality	Material Topic	Capitals Impacted	Linkage with SDGs
<b>Sustainable Operations</b>	Energy Management	Natural Capital	
	GHG Emissions	Natural Capital	
<b>Resource Stewardship</b>	Water Management	Natural Capital	
	Waste Management	Natural Capital	
<b>Well-being and Social Impact</b>	Health and Safety	Intellectual, Manufacturing and Social and Relationship Capitals	
	Community Welfare	Social and Relationship Capital	
<b>Governance and Ethics</b>	Risk Management	Financial, Natural, Intellectual, Manufacturing and Social and Relationship Capitals	
	Code of Conduct	Social and Relationship Capital	
	Board Structure and Management	Financial and Social and Relationship Capitals	

## Our Approach on materiality

### Materiality 1: Sustainable Operations

- Started monitoring, analysing and evaluating our GHG emissions and aimed to set up appropriate science based targets
- Replacing old machines with new energy efficient automatic machines wherever feasible
- Installed high-tech automatic machines in our new facilities to optimise resource utilisation
- Planted 800 trees in FY 22-23, within our plants which will be offsetting 1000 tCO2e
- Maintaining a green belt of around 3,800 trees on a 7.76 acres land provided by SIPCOT
- Planning to install solar based power plants in our manufacturing facilities

### Materiality 2: Resource Stewardship

- Prioritising water efficiency, rainwater, and recycled water consumption to reduce our water footprint
- Focusing on minimising specific water consumption
- Increasing the quantity of waste recycled
- Reducing the waste ending up in the landfills

### Materiality 3: Well-being and Social Impact

- Prioritising community development initiatives
- Advocate for human rights and strive to foster safe and healthy working conditions
- Cultivating a behavioural-based safety culture
- Committed to promoting equality and embracing diversity
- Zero incident/accident across our manufacturing plants in FY 2022-23

### Materiality 4: Governance and Ethics

- Promoting ethical and sustainable business practices governed by well diversified, qualified and empowered board.
- Prioritising enterprise risk management
- Upholding a robust code of conduct including promotion and practice of anti-corruption and anti-bribery policies
- Appointment of Chief Sustainability Officer
- Complying with statutory requirements and regulations



As a conscientious paint company, our core mission is to deliver value through our exceptional, durable, and environmentally friendly products and solutions. We firmly understand the intrinsic value of our natural resources and their integral role in our business.

That is why we are wholeheartedly committed to reducing the negative impact of our operations on the environment while maximising positive contributions through the development and promotion of sustainable products. Our core objectives revolve around driving innovation, implementing efficient waste management practices, optimising resource allocation, and adopting various other measures to uphold our environmental responsibilities. Recognising the importance of risk management, we proactively identify potential risks, employ adaptive methods, and take strategic actions to progressively mitigate them. Through these proactive

measures, we strive to achieve the utmost effectiveness in our environmental protection initiatives.



### Energy Management

We are committed to reduce our energy consumption, which entails continuous monitoring of our energy performance across all operating units, including our head office. We recognise that energy optimisation plays a crucial role in our overall environmental management system. To accomplish this, we prioritise the integration of renewable energy principles and introduction of energy saving initiatives into all facets of our business operations.



#### Initiatives taken

- Installed solar street lights in our Tamil Nadu plant and are exploring to extend it to other facilities as well.
- Motors running on automated Digital Control Systems, which efficiently reduces the electricity consumption by activating motors only when necessary.
- High-tech energy efficient machines are used in our facility being set up at Tamil Nadu.



#### Outcome

- Reduction in specific energy consumption by 7.25% as compared to last year.
- Reduction in energy consumption per unit revenue by 6.42% as compared to last year.







**Performance**

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



**Way forward**

**Commitment to make all manufacturing plants accessible to renewable energy by FY 2028**

- We recognise the importance of transitioning to clean energy sources for a sustainable future. To achieve this, we will evaluate and implement various renewable energy options, such as solar and wind power, across all our manufacturing plants.
- Planning to install upto 500 KW capacity solar power plant in the proposed new Jodhpur facility which will generate an estimated 750 MWh of renewable electricity annually, significantly reducing our reliance on non-renewable energy sources.

- This will involve conducting feasibility studies, assessing the energy requirements of each plant, and identifying suitable locations for the installation of renewable energy systems.
- We will collaborate with reputable energy providers and experts in the field to ensure the seamless integration of renewable energy sources into our operations.
- Through this commitment, we aim to significantly reduce our carbon footprint and contribute to a greener and more sustainable energy landscape.
- Our employees will be actively involved in energy conservation initiatives through awareness campaigns, training programs, and the promotion of best practices.
- By setting this target, we aim to continually enhance our operational efficiency, reduce energy-related costs, and contribute to global efforts in mitigating climate change.
- We have already started working towards this target and in FY 23 there was a 7.25% reduction in our specific energy consumption

**Increased investment toward sustainable and energy-efficient processes**

**Commitment to reduce our specific energy consumption by 3% YoY effective from FY 2024**

- We are dedicated to improving our energy efficiency and minimising energy consumption throughout our production processes.
- To achieve this goal, we will implement comprehensive energy management systems and practices, focusing on optimising equipment, streamlining operations, and adopting energy-efficient technologies.
- Regular energy audits will be conducted to identify areas for improvement and implement targeted energy-saving measures.
- In line with our commitment to sustainability, we will increase our investment in sustainable and energy-efficient processes.
- This includes adopting advanced technologies, equipment, and materials that optimise resource utilisation, minimise waste generation, and reduce energy consumption.
- Through research and development efforts, partnerships with technology providers, and employee-driven innovation, we aim to continuously improve our environmental performance and promote sustainable practices across our operations.



**GHG Emissions**

We are fully aligned with the global objectives of minimising carbon footprint and addressing climate change risks. We have proactively streamlined our processes to work towards these shared goals.

Reducing greenhouse gas emissions is a crucial aspect of our environmental stewardship and an integral part of our business strategy. Through our continuous efforts to enhance energy efficiency, we are committed to reducing our emissions. Our commitment to sustainability and emissions management remains unwavering as we strive to contribute to a greener future.



**Initiatives taken**

- Engaged a third-party to assess and monitor our GHG footprint.
- Successfully measured and monitored scope 1 and scope 2 emissions from all manufacturing plants.
- Planted 800 trees in FY 22-23, totaling approximately 1000 trees within our manufacturing facility which will be offsetting 1000 tCO<sub>2</sub>e.
- Maintaining around 1000 smaller plants and shrubs inside our plants which provides a cleaner and natural environment for workers in the plants.
- Maintaining a green belt of around 3,800 trees on a 7.76 acres land provided by SIPCOT.
- Cultivating vegetable gardens on terraces during rainy seasons.
- Committed to complying with statutory norms, limiting SO<sub>x</sub>, NO<sub>x</sub>, and PM levels.
- Made sustainability part of business discussions.

**Pudukkottai Factory**



**Jodhpur Factory**





**Outcome**

- Reduction in emission intensity per unit production by 7.04% as compared to last year.
- Reduction in emission intensity per unit revenue by 6.21% as compared to last year.



**Performance**

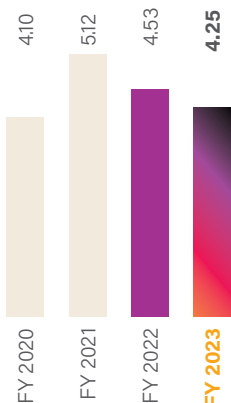
**Emission Intensity Per Unit Production**

(tCO<sub>2</sub>e/KL of FG)



**Emission Intensity Per Unit Revenue**

(tCO<sub>2</sub>e/ ₹ crore revenue)



**Way forward**

**Intention to set Science Based Targets and reduce GHG emissions**

- We have an intention to establish measurable Science Based Targets (SBTs) aligned with global climate goals.
- We are actively engaging with our third-party partner, Sprih, to set SBTs once emissions measurement and monitoring mechanisms are in place.
- Our emissions will be continuously monitored, and we will implement a range of measures to reduce them wherever feasible.
- We will implement strategies including deploying energy-efficient technologies, optimising production processes, adopting renewable energy sources, and implementing waste reduction and recycling initiatives.
- Our focus will be on continuous improvement and innovation to enhance operational efficiency and reduce environmental impact.

**Aim to become Net Zero by 2050**

- Our long-term vision is to reach Net Zero emissions by 2050. To achieve this, we will implement a holistic approach that combines emission reduction measures, energy efficiency improvements, renewable energy adoption, and the implementation of innovative technologies.
- By continuously monitoring and optimising our carbon footprint, we will work towards the complete elimination of net greenhouse gas emissions from our operations.

**Measure and analyze major scope 3 emitting categories**

- Starting from FY 23-24, we will conduct a thorough assessment of our scope 3 emissions. This includes analysing emissions associated with activities outside our direct control, such as purchased goods and services, transportation, and waste management.
- By identifying the major emission sources within our value chain, we can collaborate with suppliers, vendors, and partners to implement emission reduction measures, promote sustainable practices, and drive overall emissions reductions collectively.

**Aim to reduce travel emissions and promote EVs adoption in supply chains**

- We aim to reduce our travel emissions from suppliers and transportation of goods.
- We aim to encourage the use of electric vehicles in supply chains for sustainable transportation practices.
- Efforts will be made to actively promote and support EV adoption among suppliers, vendors, and partners.



**Water Management**

Recognising the critical issue of water scarcity in both India and globally, Indigo Paints has embraced a comprehensive water management approach to address this challenge.

Water management holds a position of utmost importance in our materiality matrix. We firmly believe in the significance of responsible water management as a collective endeavor that necessitates sustained dedication and continual progress. We have proactively introduced water conservation initiatives throughout our operations, consistently striving to enhance our practices and amplify our positive impact. Through these

ongoing efforts, we remain committed to upholding our responsibility towards sustainable water management and contributing to the preservation of this vital resource for the benefit of future generations.

We fulfill our freshwater requirements majorly from third party water supply and some amount of groundwater is also used.



**Initiatives taken**

- Installed rainwater harvesting systems at all of our manufacturing plants.
- Have Zero Liquid Discharge facilities at all our manufacturing plants.
- Installed 100,000 liters tank at our Cochin plant to harvest rainwater in FY 22-23.
- Created a man made pond at our pudukkottai facility which can hold 10 Lakhs plus litres which will help to improve the water table in the vicinity of the manufacturing facility



**Outcome**

- From rainwater harvesting we conserved over 1521 KL water in FY 22-23.
- 2736 KL of water was recycled at manufacturing plants in FY 22-23.
- Reduction in specific water consumption 4.77% as compared to last year.





**Performance**

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



**Way forward**

**Prioritise responsible water management and conservation for sustainable practices**

- We will be monitoring and measuring our water consumption regularly to identify areas of improvement.
- We will also engage in community outreach to raise awareness about water conservation.
- We are focussed to continuously explore innovative solutions and technologies to further improve our water management practices.

**Replenish water through watershed development projects in the areas we operate**

- We are committed to implementing watershed development projects in the areas where our operations are located.
- These projects aim to restore and enhance the natural water resources in the region, such as rivers, lakes, and groundwater systems.
- By collaborating with local communities, government bodies, and NGOs, we will undertake measures like rainwater harvesting, afforestation, and soil conservation to replenish and restore water bodies.

**Focus on freshwater consumption reduction**

- To minimise our freshwater consumption, we will implement various measures to optimise our processes and reduce water usage.
- This includes implementing advanced water management systems, adopting water-efficient technologies, optimising production processes, and promoting awareness among employees regarding water conservation practices.
- By continuously monitoring and improving our water usage efficiency, we will significantly reduce our freshwater consumption.

**Increased usage of recycled water**

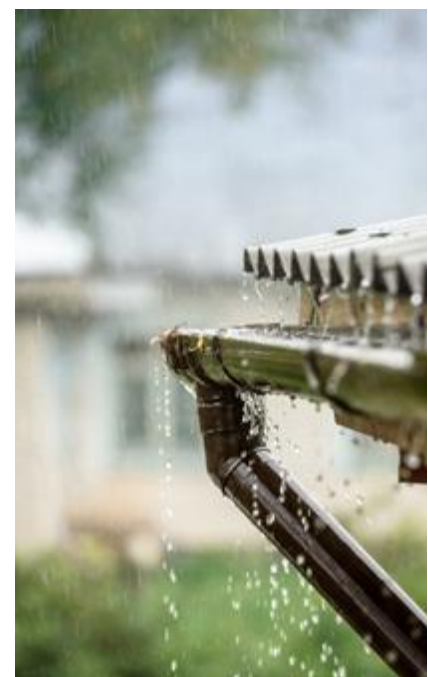
- We recognise the importance of recycling and reusing water within our operations.
- To achieve this, we will invest in advanced water treatment and recycling systems that allow us

to treat and reuse wastewater generated during our production processes.

- By implementing these systems, we can significantly reduce our dependence on freshwater sources and contribute to a circular economy by maximising the utilisation of water resources.

**Increased usage of rainwater in the process**

- We will increase the capacity of rainwater harvesting systems across our facilities to capture and store more rainwater for various purposes.
- This collected rainwater can be used either in manufacturing processes or for domestic use like gardening and flushing, reducing our reliance on freshwater sources.
- By maximising the usage of rainwater, we can conserve freshwater resources and minimise our environmental impact.



## Waste Management

Effective waste management is a significant priority for India, considering the scale of waste generated nationwide. It presents an opportunity not only to enhance efficiencies by reducing waste at its source but also to foster a circular economy by exploring alternative uses for waste or by-products within natural or industrial cycles.

At Indigo Paints, waste management stands as a foundational pillar driving our sustainability agenda. It empowers us to optimise resource utilisation and operate in a more efficient and environmentally friendly manner. By treating waste as a valuable resource, we actively contribute to a sustainable future while promoting responsible practices within our industry. Our Research and Development department continues its endeavours and its focus on development of new technology that reduces the dependence on ecologically harmful raw materials.



### Initiatives taken

- Systematic tracking of waste generation and disposal quantities.
- Strictly adhering to proper waste disposal methods and regulations by sending all the waste to Central Pollution Control Board (CPCB) authorised vendors.
- Emphasis on the principles of Reduce, Reuse, and Recycle (3R) for waste minimisation and resource conservation.
- Selling plastic and metal barrels, along with other non-hazardous waste, to authorised third parties as scrap for subsequent reuse.
- Transitioned from procuring chemicals in drums to bulk liquid shipments in tankers, minimising the use of barrels and facilitating their return to suppliers for reuse.
- Adopted a circular economy approach by reusing packaging materials (bags) received from suppliers for subsequent shipments, promoting waste reduction.
- We have also achieved plastic recycling target set by CPCB by offsetting 1,957 MT of rigid plastic and 277 MT of flexible plastic during the FY 2022-23.



### Outcome

- Recycled 74.20 % of the total waste generated in FY 2022-23.
- Reduction in specific waste generation by 16.24% as compared to last year.
- Reusing the waste solvent produced in the process during subsequent batches and saving around 60 lakhs rupees annually.



### Performance

#### Specific Hazardous Waste Generation

(kg/KL of FG)



### Way forward

#### Setting ambitious waste recycling targets

- We have set ambitious targets to increase our waste recycling rates in order to minimise the environmental impact of our operations.
- To achieve these targets, we will implement robust waste management practices, including segregation, collection, and recycling initiatives.
- 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.

**Introducing recycled paint cans for selected segments starting this year**

- As part of our commitment to sustainable packaging, we will introduce recycled paint cans for specific market segments.
- These cans will be manufactured using recycled materials, thereby reducing the demand for virgin raw materials and minimising the 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.

**Focusing on diverting substantial waste from landfills**

- We recognise the importance of diverting waste from landfills to minimise environmental pollution and conserve natural resources.
- To achieve this, we will implement waste reduction and diversion strategies such as waste segregation at source, promoting recycling and reuse practices, and exploring opportunities for waste-to-energy conversion.
- By diverting substantial waste from landfills, we aim to minimise our environmental footprint and contribute to a sustainable future.

**Monitoring, assessing, and evaluating waste emissions from FY 23-24**

- To effectively manage our waste emissions, we are working with a third party partner to monitor and assess the emission from all the scopes including scope 3 starting from FY 23-24.
- This system will enable us to track and measure our waste generation, disposal practices, and emissions.
- By conducting regular assessments, we can identify areas for improvement, implement targeted waste reduction measures, and ensure compliance with regulatory requirements.



## Community Welfare

At Indigo Paints, we firmly believe that the well-being and development of the community are essential for responsible and sustainable business growth. With a special emphasis on uplifting the poor and needy segments of society, our Corporate Social Responsibility (CSR) programs aim to bring about overall betterment. Our CSR strategy is rooted in long-term community empowerment, focusing on education and women's empowerment, in alignment with the UN Sustainable Development Goals (SDGs).

We recognise that CSR goes beyond mere philanthropy and should be integrated with our core business objectives. Hence, our CSR programs are thoughtfully designed to address social challenges while aligning with our business values. The Board of Directors through the CSR Committee, takes responsibility for driving our CSR initiatives, ensuring their strategic direction and effective implementation.

### Our CSR programs primarily focus on the

- Educational needs of underprivileged girls from 10th class onwards
- Women empowerment projects in collaboration with 'CORO' a prominent NGO

We are committed to continuing our support for these organisations in the coming years. By collaborating with them, we aim to amplify the reach of sustainability messages and engage the community in meaningful dialogue. Together, we strive to foster a greater understanding of environmental challenges and inspire individuals to take action towards a greener future.

We have a comprehensive CSR Policy in place, ensuring our commitment to creating a positive impact on society. As part of our efforts, we have collaborated with the Paints & Coatings Skill Council to initiate training

programs for applicators, enhancing their skills and supporting their professional growth.

In addition to our efforts in women's empowerment, we extend our support to local organisations working towards sustainability awareness agendas. As a paint company, we recognise the power of art in creating awareness about environmental issues and greenhouse gas emissions. We have provided financial support and supplied paints to these organisations, which specialise in creating impactful graffiti and artwork to raise awareness among people.

In FY 22-23, we had spent ₹ 1,82,00,000 towards our CSR initiatives and have positively impacted over 12,000 beneficiaries. This year, we have increased our commitment, with an expenditure of ₹ 2,35,00,000. Going forward, we aim to further enhance our

expenditure in the forthcoming years to support and expand our impactful activities.

Our dedication to community welfare extends beyond financial contributions. We actively engage with communities, listen to their needs, and work collaboratively to bring about sustainable change. By nurturing partnerships and leveraging our resources, we strive to create a lasting positive impact on the lives of those in need.

Indigo Paints is committed to being a responsible corporate citizen, making a difference in the communities we serve. Through our CSR initiatives, we aspire to create a better future, one where education is accessible to all and women are empowered to achieve their dreams. Together, we can build a stronger, more inclusive society.





### Health and Safety

At Indigo Paints, the well-being of our employees is of paramount importance. We are fully committed to providing a safe working environment that safeguards their health and promotes a culture of well-being. Through a comprehensive and multi-faceted approach, we have cultivated a friendly workspace that embraces world-class processes and practices, thereby ingraining a strong safety culture within our organisation.

Our commitment to safety goes beyond regulatory compliance; it is ingrained in our core values and reflected in our actions. This well-defined safety structure and culture empower us to achieve our targets with unwavering dedication and exemplify our role as a responsible corporate citizen. Furthermore, our steadfast commitment to safety directly contributes to the fulfilment of the UN Sustainable Development Goals (SDGs) of Decent Work and Economic Growth, as well as Good Health and Well-being.

To ensure the highest standards of health and safety, we have established a publicly available health and safety policy that applies to all employees, suppliers, and third-party vendors. We have implemented a comprehensive hazard identification, risk management, and incident investigation process, which allows us to proactively address potential risks and continuously improve our safety performance.

We believe in fostering a collaborative approach to health and safety. Therefore, we have established joint committees dedicated to worker health and safety, ensuring that all stakeholders have a voice in shaping our safety initiatives. We maintain transparent communication channels, providing employees with regular updates and opportunities to share their concerns and suggestions on health and safety topics.



To empower our employees, we provide specific safety and health training tailored to their roles and responsibilities. Our commitment to continuous improvement has yielded positive results, as evidenced by zero fatalities in the reporting year. We remain steadfast in our efforts to maintain this high standard and continuously enhance our safety practices.

In line with our commitment to employee wellness and contentment, we have initiated a feedback mechanism to gauge employee satisfaction levels across different departments. This valuable input enables us to identify areas for improvement and develop targeted wellness programs and benefits.

From this year onwards, we plan to set targets to increase employee satisfaction levels, thereby fostering a positive work environment and ensuring the holistic well-being of our employees.

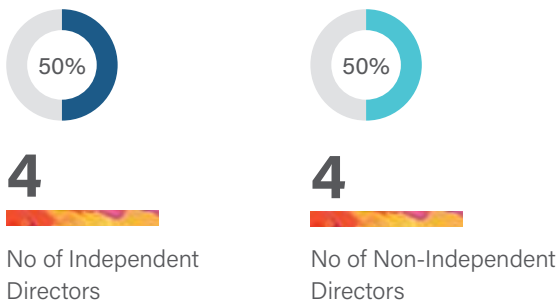
Indigo Paints recognises that a safe and healthy workforce is the foundation of our success. We will continue to prioritise the health and safety of our employees, embracing a proactive approach, fostering a culture of continuous improvement, and striving to exceed industry standards. Through our collective efforts, we aim to create an environment where our employees thrive and feel valued, ultimately contributing to our overall business success.

### Board Structure and Management

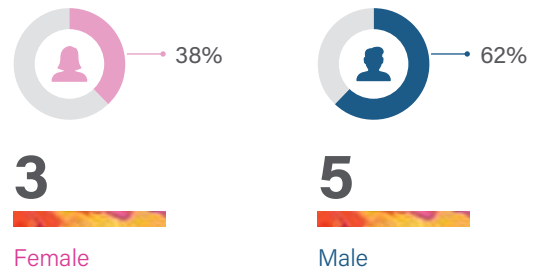
At Indigo Paints, we recognise the vital role played by our Board of Directors in setting the organisational tone. They establish our vision, mission, and values, guided by our Corporate Governance guidelines. We prioritise compliance with all relevant regulations, including the SEBI Listing Regulations, the Companies Act, 2013, and other SEBI regulations governing Board composition, Committee formation, and policy formulation and adoption.

Our Board has been meticulously constituted in alignment with the requirements of the Companies Act, 2013, and the SEBI Listing Regulations. Their supervision of the governance and management of Indigo Paints ensures transparency, accountability, and ethical practices throughout the organisation.

#### Board Independence



#### Board Diversity



Board/Committee	Chaired	No. of Members	Independence
<b>Board</b>	Executive Chairman	8	50%
<b>Audit Committee</b>	Independent Director	6	67%
<b>Nomination &amp; Remuneration Committee</b>	Independent Director	4	100%
<b>Risk Management</b>	Executive	4	25%
<b>CSR</b>	Executive	3	33%
<b>Stakeholders Relationship Committee</b>	Independent Director	3	33%

In our unwavering commitment to sustainability, we appointed a Chief Sustainability Officer this year, demonstrating our dedication to driving sustainable practices across all aspects of our operations. This role will be instrumental in spearheading our sustainability initiatives, ensuring their integration into our corporate strategy, and fostering a culture of sustainability throughout the organisation.

We believe that a robust Board structure, guided by strong corporate governance principles and bolstered by a focus on sustainability, is essential for 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.

**Environmental Compliance:** Apart from having a robust board structure and management we are also focussed on maintaining environmental compliance with regulations. We prioritise environmental compliance and have partnered with Sprih Labs Private Limited, a trusted third-party organisation, to ensure adherence to regulations. Through their expertise and AI-driven tools, we accurately measure our greenhouse gas footprint and meet global norms. Maintaining unwavering compliance, we have incurred no fines or sanctions for non-compliance. Sprih Labs conducts

independent assessments based on international standards, guiding our efforts to improve and align with best practices. Together, we strive to achieve Net-0 emissions by 2050 and uphold the highest environmental standards, positioning Indigo Paints as a responsible industry leader.

Additionally, we ensure responsible waste management practices by sending all our waste to CPCB authorised vendors. These vendors adhere to government norms and recycle the waste properly, minimising our environmental impact and promoting sustainability.



## Risk Management

At Indigo Paints, we have established a robust risk management framework to navigate the dynamic external environment and ensure our resilience. This framework serves as a protective shield while optimising the use of our resources within well-defined risk limits, ultimately enhancing our returns.

A dedicated Risk Management Committee is responsible for formulating risk assessment and minimisation procedures, providing valuable insights to the Board.

The committee takes a proactive approach by formulating, implementing, reviewing, and monitoring the risk management plan for the Company. Our Risk Management Policy serves as a guiding document, promoting sustainable business growth with stability. It strengthens our approach to identifying, reporting, evaluating, and resolving risks associated with our business operations.

We maintain a steadfast focus on ensuring 100% compliance with risk

management practices. To achieve this, we provide comprehensive training on risk management and mitigation practices to all employees, enabling them to contribute to a risk-aware culture across the organisation. Additionally, we remain fully committed to adhering to all statutory and mandatory policies, leaving no room for complacency.

In our pursuit of excellence, we have plans to implement a Balanced Scorecard for senior management, incorporating sustainability-linked targets as key criteria by fiscal year 2024. This approach aligns our performance evaluation with our commitment to the UN Sustainable Development Goal (SDG) of Decent Work and Economic Growth. By

integrating sustainability metrics into our scorecard, we reinforce our dedication to responsible business practices and our contribution to a sustainable future.

Indigo Paints recognises that effective risk management is a critical aspect of sustainable business growth. By adhering to our comprehensive risk management practices and continuously evolving our approach, we fortify our ability to navigate uncertainties and seize opportunities. Our unwavering commitment to risk management is rooted in our dedication to long-term value creation and the trust placed in us by our stakeholders.

## Code of Conduct

At Indigo Paints, we are dedicated to maintaining the highest standards of ethical conduct, sustainability, and integrity. Our Code of Conduct, approved by the Board of Directors, applies to all Directors, Senior Management members and employees of the company. This comprehensive code outlines our commitment to operate ethically, legally, and sustainably. It can be accessed on our website: [indigopaints.com](http://indigopaints.com).

Our Code of Conduct encompasses various aspects, including the prevention of insider trading in accordance with the requirements of the Securities and Exchange Board of India.

The code of conduct outlines our zero-tolerance policy for corruption, unfair trade practices, and discrimination.

We are committed to fostering a work environment that strictly adheres to principles of non-discrimination, zero tolerance to sexual harassment, and respect for human rights.

To reinforce our commitment to ethical practices, we have established a Whistle Blower Policy. This policy provides a vigilant mechanism for Directors and employees to report any unethical behaviour, fraud, or violations of the Company's code of conduct. The Whistle Blower Policy can be found on our website at [indigopaints.com](http://indigopaints.com). This mechanism ensures the confidentiality and protection of individuals who come forward with concerns and facilitates direct access to the Chairman of the Audit Committee in exceptional cases.

We are proud to report that in FY 22-23, we recorded zero breaches of our Code

of Conduct across all our locations. This achievement underscores our steadfast commitment to upholding ethical standards in all aspects of our operations. We will continue to prioritise the maintenance of a strong Code of Conduct, promoting a culture of integrity and accountability throughout the organisation.

At Indigo Paints, we believe that a robust Code of Conduct forms the foundation of our corporate values. We are dedicated to fostering a culture where every individual feels empowered to uphold these values, contributing to our long-term success and the trust placed in us by our stakeholders.





# Corporate Information

## Directors

### Mr. Hemant Kamala Jalan

Chairperson and Managing Director

### Ms. Anita Hemant Jalan

Executive Director

### Mr. Narayanankutty Kottiedath Venugopal

Executive Director

### Mr. Ravi Nigam

Independent Director

### Mr. Sunil Badriprasad Goyal

Independent Director

### Mr. Praveen Kumar Ramniranjan Tripathi

Independent Director

### Ms. Ashwini Deshpande

Independent Director

(Appointed w.e.f. May 26, 2023)

### Ms. Sakshi Vijay Chopra

Nominee Director

### Ms. Nupur Garg

Independent Director

(Resigned w.e.f. May 4, 2023)

## Chief Financial Officer

### Mr. Chetan Bhalchandra Humane

## Company Secretary and Compliance Officer

### Ms. Dayeeta Shrinivas Gokhale

(Appointed w.e.f. June 29, 2023)

### Mr. Sujoy Sudipta Bose

(Resigned w.e.f. June 28, 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

### Ms. Anita Hemant Jalan

### Mr. Praveen Kumar Ramniranjan Tripathi

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

## Registrar and Share Transfer Agent

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

## Bankers and Financial Institutions

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

## Registered and Corporate Office

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

# Management Discussion & Analysis



## INDIAN ECONOMIC OVERVIEW

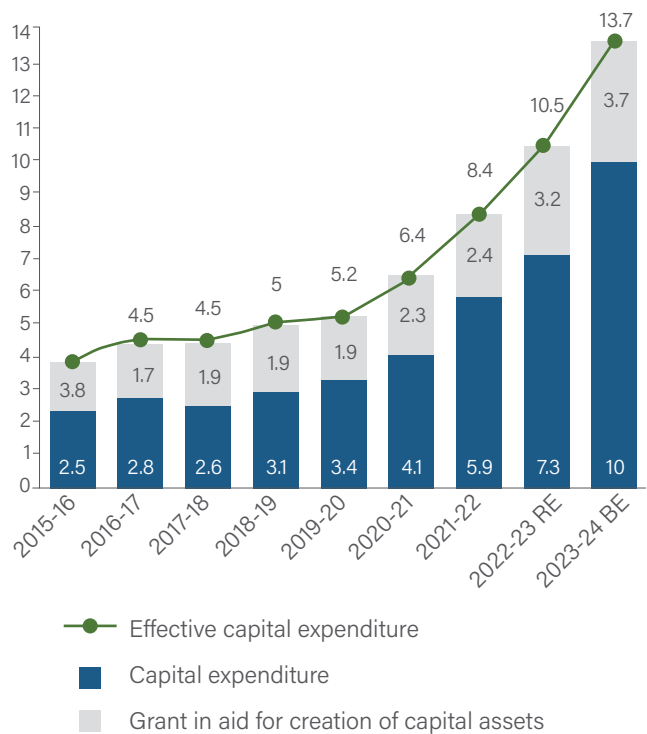
The Indian economy demonstrated resilience amid geopolitical tensions and high inflation-induced global economic headwind and, according to the final advance estimates of the National Statistical Office (NSO), is set to register a growth of 7.2% in FY23. The better-than-expected performance in FY23 can largely be attributed to the relatively strong performance of the economy in the fourth quarter.

The Reserve Bank of India (RBI) is maintaining a stable monetary policy stance given the sliding inflation trajectory, positive macro tailwinds and increasing consumer aspiration. It decided to keep the repo rate unchanged for the second consecutive time, opting for a hawkish pause.

The Indian government’s initiatives, such as the PM Gati Shakti (National Master Plan), the National Monetisation Plan (NMP) and the Production Linked Incentive (PLI) plan, helped in fostering economic growth. Additionally, stronger prospects for manufacturing, services, agriculture, and related industries, along with improved business and consumer confidence, are expected to support domestic consumption. These factors, coupled with accelerated credit expansion, are anticipated to contribute to the overall economic growth in the near term.

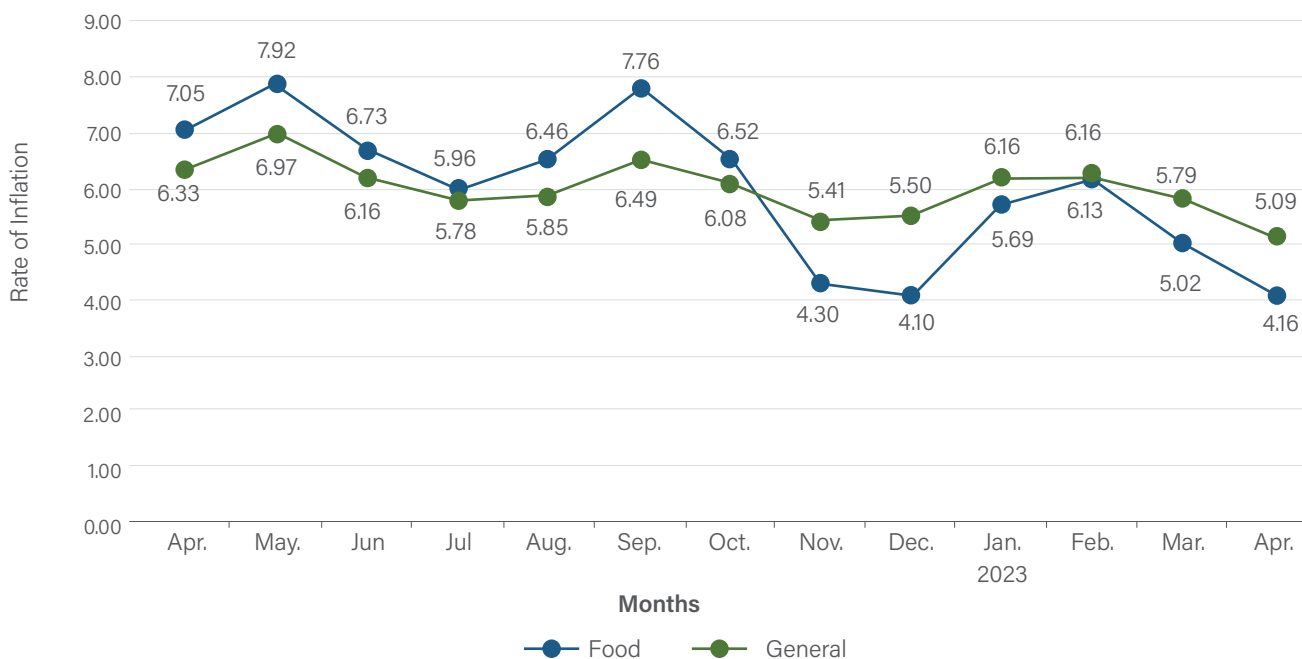
## Trend in Capital Expenditure

in lakh crore





## Rate of inflation



## Outlook

In this turbulent global economic environment, India has experienced macroeconomic and financial stability with a steady pick-up in growth momentum. This reflects a sound macroeconomic policy environment and the innate resilience of the economy which fortified it against recurring global shocks.

India stood out as one of the few countries that exhibited lower corporate debt-to-GDP ratio. This robust debt profile of Indian companies has played a crucial role in maintaining the overall macroeconomic stability of the Indian economy.

The country's sustained growth momentum has positioned the country favourably, making it an attractive investment destination.

Medium-term prospects for the country have been brightened by the demographic dividend, the digital revolution, policy initiatives to transform India into a global manufacturing hub and a resurgence in services sector competitiveness.

## INDUSTRY OVERVIEW

### Paint and coating

The Indian paint industry is undergoing a gradual transition in consumer preferences from conventional whitewashing methods to a preference for high-quality paints such as emulsions and enamel paints. This shift in consumer choice serves as the fundamental catalyst for the growth and stability of the Indian paint industry.

The industry was valued at ₹ 62,000 Crore in FY23. Further, it is anticipated to exhibit substantial growth and reach a market size of ₹ 1 lakh Crore by FY28. This trend aligns with the sector's consistent attainment of a Compound Annual Growth Rate (CAGR) in the double digits over the past few years.



**Decorative Paint segment remains dominant in Indian paint & coating market.**

Due to India's robust economic fundamentals, promising growth prospects and renewed enthusiasm for the "Make in India" initiative, the Indian Paint Industry is poised for a prosperous and vibrant future.

### Construction chemical

The market for construction chemicals has exhibited consistent growth in recent years and is expected to maintain this trajectory in the coming years. Among the many factors, the key factor driving this growth is growing demand in construction activities and corresponding use of construction chemical that offer both durability and sustainability. As the construction industry increasingly prioritises environmentally-friendly building practices and sustainable construction, there is a rising requirement for construction chemicals that enhance the longevity and resilience of structures while minimizing their ecological impact.

The construction chemicals market in India, currently valued at US\$ 1,617.8 million in 2023, is projected to witness a substantial compound annual growth rate of approximately 13.1%, reaching a market valuation of US\$ 5,541.8 million by the conclusion of 2033.



## DECORATIVE PAINTS

The decorative paints have gained significant popularity in recent times due to their distinctive finishes and textures. The growth of the decorative paints industry can be attributed to various factors such as the increasing demand for interior decorations and renovation of residential houses.

The use of decorative paint in smart homes enables seamless integration with electrical and heating controls, along with the ability to display digital content on painted surfaces. By applying these integrated paints, the aesthetics and functionality of spaces can be significantly enhanced, thereby augmenting their immersive quality.

Digitalisation is expected to play a pivotal role in the future of decorative paints. By leveraging virtual reality or augmented reality tools, consumers will have the ability to visualise and personalise their paint selections. This advancement significantly enhances the overall customer experience, enabling individuals to preview various colour schemes and finishes prior to finalising their decisions. Such technological integration empowers customers to make well-informed choices and contributes to an enhanced level of customer satisfaction.

## WATERPROOFING CHEMICALS

The burgeoning demand for waterproofing chemicals across diverse end-use sectors, including construction and infrastructure, serves as a pivotal catalyst propelling the growth of the waterproofing chemicals market. The escalating urbanisation and robust construction activities have amplified the necessity for water-resistant infrastructure, thereby intensifying the demand for waterproofing chemicals. Moreover, the increasing awareness regarding the advantageous attributes of waterproofing, such as shielding against water-related harm and preventing the growth of mold and mildew,

further augments the market value of waterproofing chemicals in the foreseeable future.

### Megatrends

#### Sustainability and environmental responsibility

Sustainability and responsibility for the environment are becoming more and more important in the paint business. By creating paints with low or no Volatile Organic Compounds (VOC), water-based formulas, and utilising eco-friendly raw ingredients, manufacturers are putting more emphasis on minimising the environmental effect of their goods. Government policies supporting environmentally friendly practices and rising consumer awareness are the driving forces behind this trend.

#### Smart and functional coatings

Smart and functional coatings are a rising trend in the Indian paint and coating industry due to their adaptive properties and improved performance. These coatings, capable of responding to external stimuli like heat, light, and pressure, offer superior durability and longevity compared to conventional products. With increased efficiency and customisable properties, they meet a broad range of specific needs. Their demand is expected to rise due to growing urbanisation and infrastructure projects, coupled with the expanding industries such as consumer goods in India.

#### Waterproofing solutions

The imperative need to protect growing global infrastructure from water damage, exacerbated by unpredictable weather conditions due to climate change, is driving the waterproofing segment growth. Consumer demand for robust waterproofing solutions is also increasing, as awareness of water-related damage and its prevention grows. Additionally, technological advancements have led to improved, durable, and versatile waterproofing products.



## Opportunities

### Increase in urbanisation and infrastructure

India is currently undergoing urbanization at a brisk pace, leading to a significant upsurge in construction and infrastructure projects. This phenomenon presents a substantial opportunity for the paint industry, as these projects typically consume substantial quantities of paints and coatings.

### Increasing middle-class population

The rising middle-class population with improved purchasing power will boost the demand for decorative paints for homes and offices. As these consumers look to improve their living standards, higher quality and more aesthetically pleasing paint options may see increased demand.

### Innovation and R&D

There are opportunities to develop new, innovative paint products. This could include environmentally-friendly paints, paints that help with heat insulation, anti-microbial coatings, or long-lasting paints that resist weathering.

### Digitalisation and E-commerce

Online sales platforms provide an opportunity to reach a broader market. Brands that can successfully navigate the e-commerce space and provide online services (such as colour visualisation tools, virtual home decoration apps, and online consultations) will likely have a significant advantage.

### Government initiatives

The Government's focus on initiatives like 'Smart Cities' and the 'Housing for All' scheme, which aim to boost manufacturing and infrastructure while providing affordable housing, could significantly increase the demand for paints and coatings.

## Challenges

### Raw material pricing and availability

The price and accessibility of essential raw materials such as titanium dioxide, pigments, resins, and solvents, predominantly reliant on imports, are susceptible to volatility caused by global economic dynamics, trade policies, and geopolitical events. These fluctuations have the potential to exert a substantial influence on the cost framework and profitability of paint companies.

### Infrastructure challenges

The transportation and storage of paint products can pose significant challenges in India, particularly in rural areas, where infrastructure may be insufficient. These logistical hurdles have the potential to escalate costs and hinder access to potential markets.

## Consumer awareness

Despite the industry's growth, consumer awareness about the different types of paints and their applications remains low, especially in the rural and semi-urban areas of the country. This lack of awareness can affect the demand for specialised and value-added products.

## Environmental regulations

In response to the growing global focus on environmental conservation, stringent regulations have been implemented to control the emission of volatile organic compounds from paints. Compliance with these regulations necessitates the development of novel, environmentally friendly formulations, which can be a resource-intensive and time-consuming undertaking.

## COMPANY OVERVIEW

Indigo Paints, founded in the year 2000, stands as a prominent paint company in India, recognised for its progressive and distinct product strategy. With its headquarters situated in Pune, Maharashtra, the Company commenced its operations as a modest producer of economical cement paints. However, over time, it underwent a transformation, expanding its portfolio to encompass a diverse assortment of decorative paints.

The Company has established an extensive distribution network that spans across India, facilitating the convenient availability of its product range to customers. Additionally, the Company possesses and operates three manufacturing facilities strategically located in Jodhpur (Rajasthan), Kochi (Kerala) and Pudukkottai (Tamil Nadu). The Company's emphasis on research and development, aimed at introducing innovative and distinctive products, has played a pivotal role in driving its growth trajectory.

Indigo Paints has successfully surmounted the high entry barriers of the Indian Paints industry through its patient and multi-pronged strategy, comprising:

- 1) Introduction of differentiated products,
- 2) Focusing on specific cities,
- 3) Creating brand equity through strategic investments in advertising and promotions
- 4) Rapidly driving the penetration of tinting machines, and
- 5) Engaging with influencers (painters/contractors) to build trust.

During the initial two decades, the Company had expanded its distribution network largely in Tier 3, 4 cities. With a strong presence in the Tier 3,4 cities and the rural areas, the Company started focusing on expanding its presence in Tier 1,2 cities as well. The Company is also increasing the engagement with the dealers and influencers with the aim to improve the throughput per dealer. These initiatives have started yielding good results.

**16,496**

Active dealers (As of 31st March 2023)

**8,273**

Tinting machines



**Strengths**



**Brand image and recognition**

Over the years, Indigo Paints has built a reputable brand for itself in the Indian paint industry. The Company has focused on effective marketing strategies and brand-building activities to enhance its visibility and create a strong brand recall.



**Innovation and differentiation**

Indigo Paints has positioned itself as a Company that emphasises innovation and differentiation in the highly competitive paint industry. It has introduced unique products to target specific customer segments and address their specific requirements.



**Product portfolio**

The Company's product portfolio includes interior emulsions, exterior emulsions, enamel paints, wood coatings, distempers, primers, putties, and cement paints. It has continuously strived to introduce new and unique products to the market, distinguishing itself from its competitors.



**Strong distribution of network**

Indigo Paints has established a robust distribution network, comprising a mix of direct and indirect channels. This network helps the Company reach a wide customer base and ensures efficient product availability and delivery.



**STRATEGIC ACQUISITION**

Indigo has recently\* completed the acquisition of a majority stake of 51% in Apple Chemie India Pvt Ltd. Apple Chemie is a rapidly expanding company operating in the field of construction chemicals and waterproofing. It has achieved an impressive compound annual growth rate (CAGR) of approximately 30% over the past five years in terms of revenue. The Company specialises in the manufacturing and distribution of its products in the business-to-business (B2B) segment, catering to renowned infrastructure projects in the Western states of India. This strategic move has provided the Company with the necessary expertise in the field of waterproofing and construction chemicals, expanding its product portfolio in this domain.

Apple Chemie offers an extensive range of products that effectively complement Indigo paints. Additionally, the Company has garnered a marquee clientele comprising prominent engineering and construction conglomerates throughout the country. With the government's substantial investment in infrastructure development and a well-established customer base, Apple Chemie is positioned to emerge as a leading player nationwide.

\*(On April 3, 2023)



## IPO FUND UTILIZATION

Indigo Paints had raised ₹ 1,16,912.39 Lakhs during the IPO in FY 2020-21. Out of the proceeds, the Company had received ₹ 28,711.21 Lakhs for the following objects: Funding capital expenditure for expansion of the existing manufacturing facility at Pudukkottai, Tamil Nadu by setting up an additional unit adjacent to the existing facility; Purchase of tinting machines and gyroshakers; Repayment/prepayment of all or certain portion of the borrowings; and General corporate purposes

₹ in Crores

Sl. No	Item Head	Amount as proposed in Offer Document	Utilized up to March 31, 2023	Un-Utilized up to March 31, 2023
1	Funding capital expenditure for the Proposed Expansion	15,000.00	15,000.00	-
2	Purchase of tinting machines and gyroshakers	5,000.00	4,858.11	141.89
3	Repayment/prepayment of certain borrowings of our Company	2,500.00	2,500.00	-
4	General corporate purposes	6,211.21	6,211.21	-
	<b>Total</b>	<b>28,711.21</b>	<b>28,569.32</b>	<b>141.89</b>

The proceeds have been utilized for the intended objects. The construction of additional unit at Pudukkottai, Tamil Nadu is complete and is in trial production phase. The residual amount of ₹ 141.89 Lakhs was also subsequently utilized by May 31, 2023.

## OPERATIONAL OVERVIEW

### Sales and product mix

The sales growth in Tier-1 and Tier-2 regions has exhibited nearly twice the rate compared to Tier-3 and Tier-4 regions, including rural areas. This trend is expected to gain momentum in the future. Additionally, there is a renewed emphasis on enhancing the throughput per Tinting Machine, aiming to maximise efficiency and productivity.

### Value growth

Product category	2020-21	2021-22	FY 23
Cement paints+ putty	23.22%	7.91%	33.19%
Emulsions	11.65%	39.80%	18.20%
Enamels+ wood coatings	19.57%	16.03%	30.30%
Primers+ distempers+ others	26.65%	21.42%	18.93%

### Volume growth

Product category	2020-21	2021-22	FY 23
Cement paints+ putty	19.63%	3.86%	25.52%
Emulsions	8.72%	21.66%	5.88%
Enamels+ wood coatings	15.41%	2.87%	18.52%
Primers+ distempers+ others	20.35%	5.37%	13.82%

## DISTRIBUTION NETWORK

During the year under review, the Company experienced growth in its active dealer base, reaching a total of 16,496 dealers. Furthermore, the Company augmented its tinting machines to 8,273 in FY23. 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	2019-20	2020-21	2021-22	2022-23
No. of depots	36	44	47	47
Active dealers	11,230	13,214	15,787	16,496
Tinting machine	3,143	5,472	7,101	8,273

## REVENUE FROM DIFFERENTIATED PRODUCTS

In FY23, the portion of the Company's revenue derived from its unique range of products constituted 31.2%, exhibiting an increase from the previous fiscal year where it accounted for 29.6% of the total revenue.

Product category	2019-20	2020-21	2021-22	2022-23
Sales from differentiated products	28.6%	29.5%	29.6%	31.2%



## FINANCIAL OVERVIEW

The Company has achieved a significant milestone in FY23, surpassing ₹ 1,000 Crore in net revenue and concluding the year with a net revenue of ₹ 1,07,333.43 Lakhs. The operational income for FY23 has expanded by 18.47%, increasing from ₹ 90,597.48 Lakhs in FY22 to ₹ 1,07,333.43 Lakhs. The Company has managed to achieve one of the highest gross margin in the industry, standing at 44.54%. This accomplishment can be attributed to a favourable product mix and a prudent material purchase policy. The Company has also experienced healthy growth in EBITDA and PAT compared to FY22 by 33.50% and 56.98% respectively. The EBITDA margin has expanded to 16.91% from 15.01% in FY22, while the PAT margin has increased to 12.18% from 9.17% in FY22.

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

Particulars	2019-20	2020-21	2021-22	2022-23
Revenue from operations (in Lakhs)	62,479.20	72,332.47	90,597.48	1,07,333.43
Gross margin (%)	48.47	47.95	43.32	44.54
EBITDA (₹ in Lakhs)	9,098.80	12,251.61	13,598.37	18,153.24
EBITDA margin (%)	14.56	16.94	15.01	16.91
Profit for the year (₹ in Lakhs)	4,781.50	7,085.01	8,404.80	13,193.94
PAT margin (%)	7.65	9.80	9.17	12.18
Capital employed <sup>1</sup> (₹ in Lakhs)	21,271.69	53,992.27	62,777.76	75,251.10
ROCE <sup>2</sup> (%)	34.33	18.84	18.42	20.90
RoNW <sup>5</sup>	24.26	12.57	12.93	17.00
Debt-equity ratio (in times)	0.25	0.00	0.00	0.00
Debtors turnover <sup>3</sup>	5.97	6.38	6.16	5.75
Inventory turnover <sup>4</sup>	4.41	4.39	4.84	5.06
Interest coverage ratio	13.05	26.68	86.91	114.29
Current ratio	1.14	2.37	2.34	1.96

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 before tax ÷ shareholders' equity (i.e. equity share capital + reserves)

Particulars	2019-20	2020-21	2021-22	2022-23
Discount as a % of revenue from Operations	11.39	12.64	14.22	17.39
Employee costs as % of net revenue	6.72	6.68	6.22	6.81
Advertising and sales promotion as a % of revenue from Operations	12.65	10.65	9.72	7.70
Material costs as a % of revenue from Operations	51.53	52.05	56.68	55.46
Freight and handling as a % of revenue from Operations	10.53	9.93	8.89	8.97
Overhead Costs- Other Expense (excluding Freight and handling, A&P)	4.01	3.74	3.48	4.15

### Raw materials & gross margins

While the net revenue from operations increased by 18.47%, the cost of raw materials and components consumed increased by 13.25% from ₹ 50,888.16 Lakhs in FY 2021-22 to ₹ 57,632.77 Lakhs in FY 2022-23. Favourable product mix, stabilizing raw material prices and prudent purchase policy helped to achieve better realisation thereby increasing the gross margins from 43.32% achieved in FY 2021-22 to 44.54% in FY 2022-23. Once again, Indigo Paints had clocked industry leading Gross Margins.

### EBITDA & PAT margins

On an absolute amount, the EBITDA increased to ₹ 18,153.24 Lakhs from ₹ 13,598.37 Lakhs registering a growth of 33.50%. The increase was driven by both growth in sales and expansion in the margins. The EBITDA margin expanded to 16.91% from 15.01% in the previous year. The margins improved due to better realization 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 200 bps from 9.72% in FY 2021-22 to 7.70% in FY 2022-23 also aided the margin expansion.



The Profit for the year increased significantly from ₹ 8,404.80 Lakhs in FY 2021-22 to ₹ 13,193.94 Lakhs in FY 2022-23 registering a growth of 56.98%. The overall growth in sales coupled with margin expansion aided the growth. During the year under consideration, an excess tax provision of ₹ 1,632.99 Lakhs pertaining to earlier years was reversed. The PAT margin for the FY 2022-23 expanded significantly to 12.18% from 9.17% in FY 2021-22.

#### Other income, cash and investments

The other income decreased marginally from ₹ 1,089.32 Lakhs in FY 2021-22 to ₹ 1,006.75 Lakhs in FY 2022-23, primarily due to the decrease in the interest income. Subsequent to the deployment of capital (from both the IPO proceeds and the internal accruals) for setting up a new manufacturing facility in Pudukkottai, Tamil Nadu, the interest income reduced to ₹ 103.69 Lakhs in FY 2022-23 compared to ₹ 606.00 Lakhs in FY 2021-22. As on March 31, 2023, including the unutilised proceeds from the IPO, the Company had ₹ 18,210.84 Lakhs in terms of cash and cash equivalents, Bank balances, short-term and long-term investment instruments.

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

The D&A expense increased to ₹ 3,434.66 Lakhs from ₹ 3,125.08 Lakhs in FY 2021-22 primarily due to higher depreciation incurred following the addition in plant and machinery worth ₹ 1,963.67 Lakhs for regular upgradation. The Capital work in progress (CWIP) increased significantly from ₹ 5,097.27 Lakhs in FY 2021-22 to ₹ 25,091.30 Lakhs in FY 2022-23 primarily due to the upcoming plant at Tamil Nadu. On commissioning of the plant, CWIP will be capitalized and transferred to the Property, Plant & Equipment.

#### Interest coverage ratio and finance costs

Indigo Paints is a zero debt company and the major portion of the finance cost of ₹ 137.59 Lakhs pertains to the lease liabilities. The general growth in sales and subsequent improvement in profitability has resulted in significant increase in EBIT to ₹ 15,725.33 Lakhs which has catapulted the interest coverage ratio from 86.91 in FY 2021-22 to 114.29 in FY 2022-23.

#### HUMAN RESOURCE

The Company relies heavily on its human resources to propel its operations, accomplish its objectives, and sustain its competitive advantage. It is committed to establishing a robust leadership succession plan while concurrently cultivating a secure, inclusive, and diverse workforce. Several training initiatives are regularly implemented to consistently engage with employees. The all-encompassing culture plays a pivotal role in fostering high performance among individuals and cultivating a sustainable business environment.

#### INFORMATION TECHNOLOGY

The Company's technology is intrinsically connected to majority of its operations. Over the year, the Company has invested in upgrading technology, enabling it to monitor operations to optimise value for shareholders. Investment in technology-led tools like IT SAP system, enabling seamless management of raw material procurement, finished goods, vendor and supplier payments, and effective receivables management. We have also a robust analytics and reporting system completely built with inhouse team.

## RISK MANAGEMENT

Risk management is an integral part of the business strategy for Indigo. The Company employs 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, which aims to ensure sustainable growth and stability for the business. It also facilitates a proactive stance in reporting, evaluating, and mitigating risks associated with 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 their mitigation plans. This process ensures that any new material risks are promptly identified, added to the Risk Register, and addressed for mitigation. Such a dynamic approach to risk management contributes to the Company's overall stability and growth, thus reinforcing its commitment to sustaining business value.

## GROWTH STRATEGY AND OUTLOOK

The Company has recently introduced a series of waterproofing products that are now being made available to dealers throughout India. This development is expected to make a substantial contribution to the Company's overall growth. Furthermore, the newly established water based paint plant, located in Pudukkottai, Tamil Nadu, has recently commenced trial production and is expected to commence commercial production shortly.

The Company is currently in the planning stages of establishing a new water-based paint plant in Jodhpur, with a proposed capacity of 90,000 KLPA (Kilo Liters Per Annum).

## INTERNAL CONTROL AND SYSTEMS

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 23<sup>rd</sup> Annual Report on the business and operations of Indigo Paints Limited ("the Company/your Company") together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

## FINANCIALS

The key highlights of the financial results of your Company for the financial year ended March 31, 2023 and comparison with the previous financial year ended March 31, 2022 are summarised below:

(₹ In Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Revenue from operations	1,07,333.43	90,597.48
Less: Expenses	89,180.19	76,999.11
<b>EBITDA</b>	<b>18,153.24</b>	<b>13,598.37</b>
Less:		
Finance Cost	137.59	133.04
Depreciation	3,434.66	3,125.08
Add:		
Other income	1,006.75	1,089.32
<b>Profit before Tax</b>	<b>15,587.74</b>	<b>11,429.57</b>
Less: Tax expenses (including deferred Tax)	2,393.80	3,024.77
<b>Profit after Tax</b>	<b>13,193.94</b>	<b>8,404.80</b>
Add/(Less): Total Other Comprehensive Income	(2.35)	13.36
<b>Total Comprehensive Income for the year</b>	<b>13,191.59</b>	<b>8,418.16</b>

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

- Revenue from Operations of the Company stood at ₹ 1,07,333.43 Lakhs as against ₹ 90,597.48 Lakhs for the previous year, registering a growth of 18.47% in the revenue.
- EBITDA of the Company increased to ₹ 18,153.24 Lakhs as against ₹ 13,598.37 Lakhs for the previous year, registering a growth of 33.50% in EBITDA.
- Profit after Tax (PAT) of the Company increased to ₹ 13,193.94 Lakhs as against ₹ 8,404.80 Lakhs for the previous year, registering a growth of 56.98% in PAT.

### Major Events:

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.

The subsidiary company is operating in the space of Construction Chemicals and Water Proofing products.

Acquiring controlling stake in the subsidiary company would provide the Company with an opportunity to expand its footprint in the waterproofing segment.

## DIVIDEND

The Board of Directors at its meeting held on May 26, 2023, has recommended payment of ₹ 3.50/- (Three Rupees and Fifty Paise only) per equity share of the face value of ₹ 10/- (Rupees Ten only) each as final dividend for the financial year ended March 31, 2023. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend 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") is available on the Company's website: [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

The dividend pay-out ratio including the proposed final dividend of the Company would be 12.62%



## RESERVES

There is no amount proposed to be transferred to any reserves for Financial Year 2022-23.

## CHANGE IN NATURE OF BUSINESS

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

## UTILIZATION OF IPO PROCEEDS

Your Company has appointed ICICI Bank Limited as the Monitoring agency in terms of regulation 41(2) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended from time to time, to monitor the utilization of the IPO proceeds. Your Company obtains the monitoring report from the Monitoring agency every quarter and discloses 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, 2023:

		(₹ In Lakhs)		
Sr. No	Item Head	Amount to be utilized	Amount utilized	Total unutilized Amount
1	Funding capital expenditure for the Proposed Expansion	15,000.00	15,000.00	-
2	Purchase of tinting machines and gyro shakers	5,000.00	4,858.11	141.89
3	Repayment/prepayment of certain borrowings of our Company	2,500.00	2,500.00	-
4	General corporate purposes*	6,211.21	6,211.21	-
	<b>Total</b>	<b>28,711.21</b>	<b>28569.32</b>	<b>141.89</b>

\*net of IPO related expenses

The Monitoring Agency Reports are available at the Company's website at [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

Further, the details of Utilisation of Net IPO Proceeds for the year ended March 31, 2023 has been provided in notes to the Accounts of the Financials of the Company.

As on the date of this report, your company has utilized the entire amount from the IPO proceeds.

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 paid up share capital of the Company was increased from 4,75,68,997 number of equity shares amounting to ₹ 47,56,89,970/- to 4,75,88,282

number of equity shares amounting to ₹ 47,58,82,820/-.

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.

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	27,450
2	Exercise price or Pricing formula	₹ 10/-
3	Number of Options vested and exercisable	27,800

Sr. No.	Particulars	ESOS 2019
4	Number of Options exercised	19,285
5	Total number of shares arising out of exercise of Options	19,285
6	Number of Options lapsed (includes forfeited and lapsed options)*	6,720
7	Variation in the terms of the Options	-
8	Money realized by exercise of Options (₹)	1,92,850/-
9	Total number of Options in force	1,26,210

		Name	Options granted
<b>10</b>	<b>Employee wise details of options granted to -</b>		
A	Senior Management Personnel's and Key Managerial Personnel's	NA	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	NA	NA
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.	NA	NA

The applicable disclosures as stipulated under The Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are provided in Annexure A to this Report

\*As approved by the Nomination and Remuneration Committee and Board of Directors of 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

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

We provide a wide range of benefits to assure our employees' financial, social, mental, and physical welfare during all phases of their lives while working for the company. For the purpose of retaining and luring qualified and experienced employees, the company has implemented an employee stock options policy.

We have a 360-degree collective feedback system in place to grow and plan our talent pipeline. This helps us to cultivate, elevate, and grow these leaders. This strategy is closely related to our pay structure and promotion procedure. We have a People Review process, which identifies development possibilities and plans the development path for our managerial talent pipeline, and we provide frequent performance feedback to all of our staff. Additionally, this has improved interactions between management and employees.

In the year under review, an organization-wide employee pulse survey was also carried out. The poll was built around a number of drivers, including participants' opinions of their workplace, leadership, career objectives, teamwork, rewards, and recognition. Numerous activities have been launched throughout the company to close the gaps that have been discovered as a result of the survey's results.

### Employee Welfare and Policies

It is critical for us to comprehend what engages and motivates our staff members as well as how they view the workplace. As a result, we promote frequent and open communication between managers and their teams, conduct surveys, and provide a structure that gives people the confidence to speak up, express problems, and suggest changes.

A complete human resources (HR) policy framework is in place at our company, which covers maternity benefits, employee and family insurance, and flexible scheduling to support employees in striking a work-life balance. Every month, a number of courses are held to educate staff members on their physical, mental, and overall wellbeing.

By utilising the variety of viewpoints and perspectives offered by staff members who are diverse in age, gender, and race, diversity and inclusion at work fosters innovation. The

organisation takes deliberate action to broaden inclusion and diversity throughout the organisation.

We strongly believe that our Equal Employment Opportunity, Equal Pay, and Conditions of Employment Policy does not discriminate between male and female employees performing similar roles. Similarly, salaries and employment conditions will not be discriminated against on the basis of race, religion, caste, creed, or similar reasons. Decisions regarding hiring, promotions, and performance reviews are based solely on merit and performance.

### Digital Transformation

The Company embarked on a digital transformation of its human resources management system to enable innovation, agility, operational excellence and create value for its employees. The mobile app allows employees to manage company-wide holiday dates, documents, payslips, and all other notifications and events.

An online expense management module was introduced to provide employees with the opportunity to record expenses digitally.

The Company focuses broadly on people analytics to measure the effectiveness of HR programs and identify mechanisms for making meaningful business decisions based on trends, patterns, and feedback.

### Building Talent

We have a rich tradition of developing people and developing leaders within our company, and we are proud that most of our senior positions today are filled by individuals who have built their entire careers with the company. increase.

The management team is committed to solid succession planning at all levels. To this end, a comprehensive leadership development initiative is currently underway to identify, promote and retain high potential across the sector.

A structured recruitment process has helped your company attract the right talent at every level. Entry-level candidates are now responding to a variety of approaches, including social media, campus participation, and job boards, and are looking for a true value proposition for their employees. We have adopted several of these approaches. At the same time, we have emphasized internal mobility and have strived to maintain our expertise and experience by offering attractive career opportunities. Internal shifts also helps turn necessary restructurings into opportunities.

### Employee and Leadership Development

Your company strives to help its employees develop the knowledge, skills, and abilities they need for lasting success, and encourages professional development throughout each employee's career. The company trains its employees through a well-structured training process to help them improve their efficiency and skills.

To ensure we continue to develop future leaders within our company, we offer a variety of cross-functional programs to promote management and leadership skills. Its purpose is to lead the organization through change, develop teams, manage performance, and equip employees with the necessary qualities to ensure business success in line with corporate strategy and our values and beliefs.

### Employee Relations & Compliance

The Company has zero tolerance for sexual harassment at workplace and have adopted a policy on the prevention, prohibition, and remediation of sexual harassment in the workplace in accordance with the provisions of Sexual Harassment against Women in the Workplace (Prevention, Prohibition, and Remediation). Law 2013 and regulations thereunder. All of our facilities and offices have an Internal Complaints Committee ("ICC") to handle complaints received regarding sexual harassment.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

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

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

Sr. No.	Name of the Director & KMP	Designation
1.	Mr. Hemant Kamala Jalan	Chairman and Managing Director
2.	Ms. Anita Hemant Jalan	Executive Director
3.	Mr. Narayanankutty Kottiedath Venugopal	Executive Director
4.	Ms. Nupur Garg*	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.	Mr. Sujoy Sudipta Bose**	Company Secretary & Compliance Officer
10.	Mr. Chetan Bhalchandra Humane	Chief Financial Officer

\*Ms. Nupur Garg, Independent Director of the Company had resigned with effect from closure of Business Hours on May 04, 2023. The Board took note of this resignation at its meeting held on May 26, 2023.

\*\*Mr. Sujoy Sudipta Bose, Company Secretary & Compliance Officer had resigned with effect from closure of Business Hours on June 28, 2023. The Board took note of this resignation at its meeting held on June 29, 2023

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.

Mr. Ravi Shankar Venkataraman Ganapathy Agraharam Non-executive Alternate Director of the Company had resigned with effect from closure of business hours on February 10, 2023, the Board took note of his resignation in its meeting held on February 10, 2023 and same had been intimated to the stock exchanges in accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board had appointed Ms. Ashwini Deshpande (DIN: 00240443) as an Additional Non- Executive Independent Director in its Board Meeting held on May 26, 2023 based on recommendation of the Nomination and Remuneration Committee, subject to the approval of the shareholders of the Company. Ms. Deshpande is a graduate from the National Institute of Design, Ahmedabad. She is the co-founder of Elephant Design, India's pioneering independent integrated design consultancy firm that was established in 1989.

The Board had reappointed Mr. Ravi Nigam (DIN: 00024577) as an Independent Director for the further term of 5 consecutive years in its meeting held on May 26, 2023 based on the recommendation of Nomination and Remuneration Committee, subject to approval of shareholders of the Company. Mr. Nigam has vast experience in the Food and Agribusiness sectors. He is currently the President of The Indus Entrepreneurs Association (TiE), Pune Chapter. He is also currently serving as a Board Member on various companies. His rich experience as an entrepreneur has immensely helped the Company in the current term as an Independent Director.

The Board had appointed Ms. Dayeeta Gokhale as the Company Secretary and Compliance Officer of the Company w.e.f June 29, 2023 at its meeting held on June 29, 2023. Ms. Gokhale is an Associate Member of the Institute of Company Secretaries of India and has a Bachelor's degree in law. She also has more than 7 years of experience in Corporate Laws and Compliance.

### KEY MANAGERIAL PERSONNEL (KMP):

During the year under review, there was no change in the Key Managerial Personnel of the Company.

In terms of the Companies Act, 2013, the following are the KMPs of the Company as on March 31, 2023:

- Mr. Hemant Kamala Jalan- Managing Director
- Mr. Chetan Bhalchandra Humane- Chief Financial Officer
- Mr. Sujoy Sudipta Bose- Company Secretary\*
- Ms. Dayeeta Gokhale- - Company Secretary\*\*

\*Mr. Sujoy Sudipta Bose, Company Secretary & Compliance Officer had resigned with effect from closure of Business Hours on June 28, 2023. The Board took note of his resignation at its meeting held on June 29, 2023.

\*\*Ms. Dayeeta Gokhale has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f June 29, 2023 by the Board at its meeting held on June 29, 2023.

### 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: and Secretarial Standards are contained in the accompanying Notice convening the ensuing AGM of your Company.

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

### 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 2022-2023. 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 and;
- e) Risk Management 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 13, 2023, 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) Regulations, 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) Regulations, 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, 2023.

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 at [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

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

## SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

The Company has no subsidiaries as on March 31, 2023.

However, the Company has acquired 51% Equity stake in Apple Chemie India Private Limited ("Subsidiary Company") w.e.f April 03, 2023.

The Company does not have a material subsidiary.

## RELATED-PARTY TRANSACTIONS

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

There was no material transaction with related parties during the year under review as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## PUBLIC DEPOSITS

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

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans, guarantees or investments have been made by the Company during the financial year March 31, 2023.

## 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.

## 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 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

The Auditors have issued an unmodified opinion on audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2023. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### (b) Cost Auditors:

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

### (c) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, Mr. Sushant Kulkarni, Partner of M/s. ARKS and Associates, Practising Company Secretaries had been appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the financial year 2022-23. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as Annexure B.

The secretarial auditor's report has no qualifications for the financial year 2022-23

### (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 2022-23.

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- The Annual Accounts have been prepared in conformity with the applicable Accounting Standards and there are no material departures;
- 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 2022-23 and of the profit for that period;
- 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;
- The Annual Accounts have been prepared on a going concern basis;
- The internal financial controls laid down by the Company were adequate and operating effectively; and
- 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. The Company has formed a Risk Management Committee which defines the Company's

approach towards risk management and includes collective identification of risks impacting the Company's business its process of identification and mitigation of such risks. The Risk Management Policy is uploaded on the website of the Company and can be viewed through the following web link: [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

**Internal Control Systems**

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

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

In addition, the Internal Auditor performs periodic audits in accordance with the pre-approved plan. He reports on the adequacy and effectiveness of the internal control systems and 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 by the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given as below:

**A. Energy conservation measures taken:**

- Installation of Solar Panels at one factory location.
- Motors running on automated DCS for efficient use of Electricity.
- Installation of Energy Efficient Machines at the New Factory Location situated in Pudukkottai, Tamil Nadu.

**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:

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

New product developed in the financial year 2022-23 is as follows:

- Damp Seal Primer;
- Leak Poof Emulsion.

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

<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>	
<b>(in ₹ Lakhs)</b>	
Foreign exchange inflows	-
Foreign exchange outflows	4,314.45

**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 2023, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure C.

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 ₹ 1,82,00,000/- during financial year 2022 - 23.

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 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 LODR, 2015, separately forms a part of the Annual Report

## PREVENTION OF INSIDER TRADING

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

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

## MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

## MATERIAL ORDERS OF REGULATORS/COURTS/ TRIBUNALS

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

## SHARE REGISTRAR & TRANSFER AGENT (R&T)

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

## PARTICULARS OF EMPLOYEES

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate by the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in a separate section and forms a part of the Annual Report of the Company.

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

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

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

## VIGIL MECHANISM

Your Company has formulated a Vigil Mechanism and Whistle Blower Policy intending to provide a mechanism for employees to report violations. It also assures them of the process that will be observed to address the reported violation. The Policy also lays down the procedures to be followed for tracking complaints, giving feedback, conducting investigations and



taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants.

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

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

No complaint has been received under the Whistle Blower Policy during the year under review.

## ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at [www.indigopaints.com/investors](http://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: June 29, 2023

# Annexure A

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER SEBI (SHARE-BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND SECTION 62(1)(b) OF THE COMPANIES ACT, 2013 READ WITH RULE 12(9) OF THE COMPANIES (SHARE CAPITAL & DEBENTURES) RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED WITH RESPECT TO EMPLOYEE STOCK OPTIONS SCHEME

Details of ESOP	Employee Stock Option Scheme, 2019 ("ESOS, 2019")										
<b>I. Description of each ESOP that existed at any time during the year:</b>											
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:										
	<table border="1"> <thead> <tr> <th style="background-color: #e0e0e0;">Period</th> <th style="background-color: #e0e0e0;">Number of Options to complete Vesting</th> </tr> </thead> <tbody> <tr> <td>At the End of 1<sup>st</sup> Year from the date of Grant</td> <td>10% of the option Granted</td> </tr> <tr> <td>At the End of 2<sup>nd</sup> Year from the date of Grant</td> <td>20% of the option Granted</td> </tr> <tr> <td>At the End of 3<sup>rd</sup> Year from the date of Grant</td> <td>30% of the option Granted</td> </tr> <tr> <td>At the End of 4<sup>th</sup> Year from the date of Grant</td> <td>40% of the option Granted</td> </tr> </tbody> </table>	Period	Number of Options to complete Vesting	At the End of 1 <sup>st</sup> Year from the date of Grant	10% of the option Granted	At the End of 2 <sup>nd</sup> Year from the date of Grant	20% of the option Granted	At the End of 3 <sup>rd</sup> Year from the date of Grant	30% of the option Granted	At the End of 4 <sup>th</sup> Year from the date of Grant	40% of the option Granted
Period	Number of Options to complete Vesting										
At the End of 1 <sup>st</sup> Year from the date of Grant	10% of the option Granted										
At the End of 2 <sup>nd</sup> Year from the date of Grant	20% of the option Granted										
At the End of 3 <sup>rd</sup> Year from the date of Grant	30% of the option Granted										
At the End of 4 <sup>th</sup> 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										
<b>II. Method used to account for ESOP:</b>											
	<b>Fair value</b>										
<b>III. Option Movement during the year:*</b>											
1. Number of options outstanding at the beginning of the year	1,16,250										
2. Number of options granted during the year	27,450										
3. Number of options forfeited/lapsed during the year*	6,720										
4. Number of options vested but not exercised during the year	8,515										
5. Number of options exercised during the year	19,285										
6. Total number of shares arising as a result of exercise of options	19,285										
7. Money realised by exercise of options (₹)	1,92,850										
8. Number of options outstanding at the end of the year	1,17,695										
9. Number of options exercisable at the end of the year	8,515										

\*As per Note 29 of the Financials Statements.

**IV. 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	27,450

**V. Employee-wise details of options granted during the financial year 2022-23 to:**

	Name	Options granted
i. Senior Managerial Personnel and Key Managerial Personnel	NA	NA
ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	NA	NA
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	NA	NA

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

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

The Assumptions used in the model are as follows:

Particulars	
1. Risk-Free Interest Rate*	5.96-7.25%
2. Expected Life	4.14-7.14 years
3. Expected Volatility	28%
4. Dividend Yield	0.30%
5. Price of the underlying share in market at the time of the option grant (₹)	₹ 1,611.60

\*Average risk free interest

# Annexure B

## Form No. MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

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

Based on my/our verification of the Indigo Paints Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Indigo Paints Ltd. ("the Company") for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities and security receipts) Regulations, 2008; (Not applicable to the Company during the Audit period).
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer Agents) Regulations, 2018 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period).
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period).
- (h) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat equity) Regulations, 2014 & 2021.

(vi) I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Environment Protection Act, 1986.
- (b) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
- (c) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.



- (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.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### I FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under 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.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- (i) During the Financial 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.
- (ii) During the period under review the consent of Board was accorded to grant an aggregate of 19,825 stock options to the employees on such terms and conditions as agreed by the Board in the resolution passed in its meeting held on 20.05.2022.
- (iii) Pursuant to SEBI (Prohibition of Insider trading) Regulation, 2015 there was a violation under Schedule B read with Regulation 9(1) of SEBI (Prohibition of Insider Trading Regulation), 2015 that immediate relative of DP sold shares during trading window closure period. Company imposed penalty of ₹ 1000/- (Rupees One thousand only) and issued warning to the Designated Person (DP) as a precautionary measure.
- (iv) During the period under scrutiny the Company has complied with all the Statutory Compliances as required under SEBI (Listing Obligations and Disclosure Requirements) 2015.
- (v) During the Financial Year under scrutiny, 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.

**CS Sushant Vikas Kulkarni**

Partner

FCS No: 9823

C P No.: 10197

UDIN: F009823E000385594

Place: Pune

Date: 26/05/2023

# Annexure C

Annual Report of Corporate Social Responsibility for FY. 2022-23  
[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

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-23	96,909	NA

- Average net profit of the company as per section 135(5): ₹ 90,80,10,333/-
- Two per cent of average net profit of the company as per section 135(5): ₹ 1,81,60,207/-
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
  - Amount required to be set off for the financial year, if any: NIL
  - Total CSR obligation for the financial year (7a+7b-7c): ₹ 1,81,60,207/-

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

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year. (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
₹ 1,82,00,000	N/A	N/A	N/A	N/A	N/A

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

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

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

Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(8) Amount spent in the current financial Year (in ₹)	(10) Mode of Implementation - Direct (Yes/No). Name	(11) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Educare	Item ii as per Schedule VII of the Companies Act, 2013	Yes	State of Maharashtra and Pune District		82,00,000	No	Payal Jalan Charitable Trust	CSR00019184
2	Grassroot Leadership Development Program (GLDP)	Item ii as per Schedule VII of the Companies Act, 2013	Yes	State of Maharashtra and Pune District		1,00,00,000	No	CORO INDIA	CSR00006169
<b>Total</b>						<b>1,82,00,000</b>		---	---

## (d) Amount spent in Administrative Overheads: Nil

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

## (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1,82,00,000/-

## (g) Excess amount for set off, if any: 39,793

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,81,60,207
(ii)	Total amount spent for the Financial Year	1,82,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	39,793
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	96,909
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,36,702

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

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2019-20	Nil	Nil	N/A	N/A	N/A	Nil
2	2020-21	Nil	Nil	N/A	N/A	N/A	Nil
3	2021-22	Nil	Nil	N/A	N/A	N/A	Nil

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

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

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

Asset wise details: N/A

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

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

**Hemant Kamala Jalan**

(Chairman and Managing Director)

DIN: 00080942

**Hemant Kamala Jalan**

(Chairman CSR Committee)

DIN: 00080942

Date: June 29, 2023

Place: Pune



## Annexure D

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

### A. THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23:

The median remuneration of employees of the Company during the financial year 2022-23 was ₹ 4,67,854/- 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. 2022-2023	Ratio of Remuneration of each Director to Median Remuneration of employees for F.Y. 2022-2023
1	Mr. Ravi Nigam	Independent Director	15,00,000	3.21
2	Mr. Hemant Kamala Jalan	Chairman and Managing Director	2,40,00,000	51.30
3	Mrs. Anita Hemant Jalan	Executive Director	15,00,000	3.21
4	Mr. Narayanankutty Kottiedath Venugopal	Executive Director	1,53,82,931	32.88
5	Mr. Sunil Badriprasad Goyal	Independent Director	15,00,000	3.21
6	Ms. Sakshi Vijay Chopra	Nominee Director	Nil	Nil
7	Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	15,00,000	3.21
8	Ms. Nupur Garg	Independent Director	15,00,000	3.21

#### Notes:

- The remuneration of Directors includes sitting fees, perquisites and commission.
- The remuneration mentioned aforesaid is for the entire financial year 2022-23.
- The Remuneration to Directors is within the overall limits approved by the shareholders
- "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 2022-23:

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 2022-23 is provided in the table below:

Sr. No.	Name of Director / KMP	Designation	Percentage increase in Remuneration in FY 2022-23
1	Mr. Ravi Nigam	Independent Director	275.00%
2	Mr. Hemant Kamala Jalan	Chairman and Managing Director	66.67%
3	Mrs. Anita Hemant Jalan	Executive Director	150.00%
4	Mr. Narayanankutty Kottiedath Venugopal	Executive Director	60.24%
5	Mr. Sunil Badriprasad Goyal	Independent Director	275.00%
6	Mr. Ravi Shankar Venkataraman Ganapathy Agraharam	Alternate Director	Nil
7	Ms. Sakshi Vijay Chopra	Nominee Director	Nil
8	Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	275.00%

Sr. No.	Name of Director / KMP	Designation	Percentage increase in Remuneration in FY 2022-23
9	Ms. Nupur Garg	Independent Director	50.00%
10	Mr. Chetan Bhalchandra Humane	Chief Financial Officer	25.24%
11	Mr. Sujoy Sudipta Bose	Company Secretary	45.19%

**C. THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR:**

In the financial year under review, there was an increase of 4.64% in the median remuneration of employees as compared to financial year 2021-22.

**D. THE NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY:**

There were 848 permanent employees on the rolls of the Company as on March 31, 2023.

**E. AVERAGE PERCENTILE INCREASE ALREADY MADE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL IN THE LAST FINANCIAL YEAR AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF AND POINT OUT IF THERE ARE ANY EXCEPTIONAL CIRCUMSTANCES FOR INCREASE IN THE MANAGERIAL REMUNERATION:**

The average increase in salaries of employees other than managerial personnel was 23.72 %. The increase in remuneration of employees other than the Key Managerial Personnel is in line with the increase in remuneration of Key Managerial Personnel.

**F. AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY:**

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

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

**List of employees of the Company employed throughout the financial year 2022-23 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	65	NA
Narayanankutty Kottiedath Venugopal	Executive Director	1,53,82,931	B.Sc and PGDM	Over 40	74	Hi Build Coatings Private Limited

## 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	65	NA
Narayanankutty Kottiedath Venugopal	Executive Director	1,53,82,931	B.Sc and PGDM	Over 40	74	Hi Build Coatings Private Limited
Thundiyl Surendra Suresh Babu	Chief Operating Officer	87,62,701	B.E. and PGDM	25	52	Hi Build Coatings Private Limited
Vineet Bhatia	G M Sales (North)	55,59,200	B. Tech, MBA	25	52	Berger Paints Limited
Ajay Dubey	G M Sales (East)	52,86,925	B.E. and PGDM	22	49	Devyani Food Industries Ltd
Satya Narayan Shukla	Sr G. M. (Works)	46,81,315	B.Sc	23	60	NA
Srihari Santhakumar	GM (Finance)	46,78,200	B. E. and MBA	14	37	SBI Capital Markets
Chetan Bhalchandra Humane	Chief Financial Officer	46,77,523	B. Com and M.Com	23	47	Jenson & Nicholson (I) Limited
Pavan Sharma	G. M. (Technical)	44,42,715	B.E.	23	46	NA
Sanal Kumar B	Branch Manager	43,09,551	B. Com and MBA	15	39	True Coat Paints

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

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

Date: June 29, 2023  
Place: Pune

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

# Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities and 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, 2023, 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. Nupur Garg, 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.

Mr. Ravi Shankar Venkataraman Ganapathy Agraharam is the alternate director to Ms. Sakshi Vijay Chopra had resigned from the Board with effect from February 10, 2023

Ms. Nupur Garg 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, 2023:**

Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships**	Committee Chairpersonship**
Mr. Hemant Kamala Jalan	Chairperson and Managing Director	0	0	0
Ms. Anita Hemant Jalan	Executive Director	0	0	0
Mr. Narayanankutty Kottiedath Venugopal	Executive Director	0	0	0
Ms. Nupur Garg	Independent Director	0	3	1
Mr. Sunil Badriprasad Goyal	Independent Director	2	4	2
Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	0	0	0



Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships*#	Committee Chairpersonship*#
Mr. Ravi Nigam	Independent Director	0	0	0
Ms. Sakshi Vijay Chopra	Non-Executive 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

TABLE 3

## Inter-se relationship amongst the Directors:

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

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

TABLE 4

## Directors' Shareholding:

Name of Directors	Designation	Shares held
Mr. Hemant Kamala Jalan	Chairperson and Managing Director	85,67,500
Ms. Anita Hemant Jalan	Executive Director	69,87,500
Mr. Narayanan Kutty Kottiedath Venugopal	Executive Director	10,000
Ms. Nupur Garg	Independent Director	301
Mr. Sunil Badriprasad Goyal	Independent Director	301
Mr. Praveen Kumar Ramniranjan Tripathi	Independent Director	301

## KEY BOARD SKILLS, EXPERTISE, COMPETENCE

The Board comprises 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. Nupur Garg	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 [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

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 2022-23 and the gap between two Board 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 20, 2022;
- August 05, 2022;
- November 03, 2022;
- February 10, 2023 and
- March 21, 2023.

**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 financial year 2022-23.**

Name	Board Meeting					Last AGM
	May 20, 2022	August 05, 2022	November 03, 2022	February 10, 2023	March 21, 2023	September 02, 2022
Mr. Hemant Kamala Jalan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Nigam	Yes	Yes	Yes	Yes	Yes	No
Mr. Sunil Badriprasad Goyal	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Praveen Kumar Ramniranjan Tripathi	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Nupur Garg	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Anita Hemant Jalan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Narayanankutty Kottiedath Venugopal	Yes	Yes	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 [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

**d. Code of Conduct:**

Your Company has a Code of Conduct for Directors and Senior Management that reflects its high standards of integrity and ethics. The Directors and senior management of the Company have affirmed their adherence to this Code of Conduct for 2022-23, 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 at [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

**3. COMMITTEES OF THE BOARD**

**a. Audit Committee:**

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairperson are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 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 FY 2022-23 as follows:

- May 20, 2022;
- August 05, 2022;
- November 03, 2022 and
- February 10, 2023.

**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 20, 2022	August 05, 2022	November 03, 2022	February 10, 2023
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. Nupur Garg	Member	Yes	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 were two (2) Meetings held during FY 2022-23 as follows:

- May 19, 2022 and
- February 10, 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 19, 2022	February 10, 2023
Mr. Ravi Nigam	Chairperson	Yes	Yes
Mr. Sunil Badriprasad Goyal	Member	Yes	Yes
Mr. Praveen Kumar Ramniranjan Tripathi	Member	Yes	Yes
Ms. Nupur Garg	Member	Yes	Yes

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

### 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 [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

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 their 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.

Your Independent Directors have received sitting fees of ₹ 100,000/- for every Board Meeting ₹ 50,000 /- for every Audit and Nomination and Remuneration Committee Meetings that they have attended for the Financial Year 2022-23.

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 fees payable to the NEDs for attending the Board meetings and Committee 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	8.00	7.00	15.00
Mr. Sunil Badriprasad Goyal	8.00	7.00	15.00
Mr. Praveen Kumar Ramniranjan Tripathi	8.00	7.00	15.00
Ms. Nupur Garg	8.00	7.00	15.00

None of the Non-Executive 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, Chairman 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 details of remuneration paid to Ms. Anita Jalan, Mr. Hemant Kamala Jalan and Mr. Narayanakutty Kottiedath Venugopal in FY 2022-23 were as follows:

Sr. No	Particulars of Remuneration	Name	Name	Name
		Ms. Anita Jalan	Mr. Hemant Kamala Jalan	Mr. Narayanakutty Kottiedath Venugopal
1.	Gross Salary			
	(a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 15,00,000	₹ 2,40,00,000	₹ 1,44,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	9,82,931
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit			
	- Others, If any			
5.	Others	-	-	-
6.	Total (A)	₹ 15,00,000/-	₹ 2,40,00,000/-	₹ 1,53,82,931/-

### c. 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).
- The Company Secretary of the Company acts as the Secretary to the Committee.
- There was 1 (one) meeting held of Stakeholders' Relationship Committee on May 16, 2022.

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

**TABLE 10**

**Stakeholders' Relationship Committee Meetings**

Name	Designation	Meeting Attended
Ms. Nupur Garg	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	1	1	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
7.	Others	0	3	3	0
	<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>

**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 2 (Two) Meetings held during 2022-23 as follows:

- May 16, 2022 and
- November 01, 2022

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	May 16, 2022	November 01, 2022
Mr. Narayanankutty Kottiedath Venugopal	Chairperson	Yes	Yes
Mr. Hemant Kamala Jalan	Member	Yes	Yes
Mr. Chetan Balchandra Humane	Member	Yes	Yes
Mr. Praveen Kumar Ramniranjan Tripathi	Member	NA	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 was 1 (one) Meeting held during 2022-23 as follows:

- May 16, 2022

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**

<b>Name</b>	<b>Designation</b>	<b>May 16, 2022</b>
Mr. Hemant Kamala Jalan	Chairperson	Yes
Mr. Praveen Kumar Ramniranjan Tripathi	Member	Yes
Ms. Anita Hemant Jalan	Member	Yes

**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 no Internal Complaints Committee Meetings held during the financial year 2022-23

**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 [www.indigopaints.com/investors](http://www.indigopaints.com/investors).

#### 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	20 <sup>th</sup> Annual General Meeting	27 <sup>th</sup> July, 2020 at 11.00 a.m. at 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune - 411045, Maharashtra.	Ordinary	2	<ol style="list-style-type: none"> <li>Adoption of the Balance Sheet of the Company as on 31<sup>st</sup> March 2020 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the company thereon.</li> <li>Re-appointment and fixation of re-appointment of the Statutory Auditors.</li> </ol>
2	21 <sup>st</sup> Annual General Meeting	2 <sup>nd</sup> September, 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, Palod Farm 2, Baner Road, Pune - 411045, Maharashtra.	Ordinary	2	<ol style="list-style-type: none"> <li>Adoption of the Balance Sheet of the Company as on 31<sup>st</sup> March 2021 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the company thereon.</li> <li>Appointment of Ms. Anita Jalan as a director liable to retire by rotation.</li> </ol>
			Special	3	<ol style="list-style-type: none"> <li>Ratification of Indigo Paints-Employee Stock Option Scheme, 2019 ("ESOS, 2019")</li> <li>Approval of Fees payable for copies of inspection of documents</li> <li>Approval from members for nomination of one Investor Director as required under clause 18.2 of Articles of Association of the Company.</li> </ol>



Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
3	22 <sup>nd</sup> Annual General Meeting	2 <sup>nd</sup> September, 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	<ol style="list-style-type: none"> <li>Adoption of the Balance Sheet of the Company as on 31<sup>st</sup> March 2022 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the company thereon.</li> <li>Declaration of Dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2022</li> <li>Reappointment of Director liable to retire by rotation</li> <li>Re-appointment of Mr. Hemant Kamala Jalan as Managing Director</li> </ol>
			Special	2	<ol style="list-style-type: none"> <li>Payment of commission to Non-Executive Independent Directors of the Company</li> <li>Amendment in Indigo Paints-Employee Stock Option Scheme, 2019 ("ESOS, 2019")</li> </ol>

- 2 Special Resolution were passed at the 22<sup>nd</sup> Annual General Meeting.
- 3 Special Resolution(s) were passed at the 21<sup>th</sup> and no special resolution passed at the 20<sup>th</sup> Annual General Meeting.

#### POSTAL BALLOT:

The Company has not passed any Special Resolution through postal ballot during the Financial Year 2022-23.

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

- The Company has been undertaking dissemination of information in line with the Listing Regulations on its website at [www.indigopaints.com](http://www.indigopaints.com)
- A separate dedicated section under 'Investors' at [www.indigopaints.com/investors](http://www.indigopaints.com/investors) gives information on applicable policies including policy on dealing with related party transactions which is at [www.indigopaints.com/investors](http://www.indigopaints.com/investors), along with news and events held during the year of the Company.
- A separate dedicated section under 'Investors' Section on the Company's website at [www.indigopaints.com/investors](http://www.indigopaints.com/investors) gives information on policy for determining material subsidiary at [www.indigopaints.com/investors](http://www.indigopaints.com/investors).
- 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 website at [www.indigopaints.com/investors](http://www.indigopaints.com/investors). It also displays official press release along with presentations made to institutional investors or to the analysts.

## 7. GENERAL SHAREHOLDER INFORMATION

<b>FINANCIAL YEAR</b>	The financial year of the Company is from 1 <sup>st</sup> April To 31 <sup>st</sup> March.
<b>DATE OF THE BOARD MEETING AT WHICH THE FINAL ACCOUNTS WERE APPROVED</b>	May 26, 2023
<b>23RD ANNUAL GENERAL MEETING</b>	Date- August 07, 2023 Day- Monday Time- 11.00 Hrs (IST) Venue- Annual General Meeting ("AGM") would be held through Video Conference/ Other Audio Visual Means: [Deemed venue for meeting; Registered Office of the Company at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune, Maharashtra 411045]
<b>BOOK CLOSURE DATE</b>	July 30, 2023 to August 07, 2023
<b>DIVIDEND PAYMENT DATE</b>	On or before September 05, 2023
<b>LISTING ON STOCK EXCHANGES</b>	<b>BSE Limited</b> BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001  <b>The National Stock Exchange of India Limited.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
<b>DATE OF LISTING &amp; STOCK CODE</b>	<b>February 02, 2021</b> <b>BSE Limited.</b> - 543258 <b>National Stock Exchange of India Limited.</b> - INDIGOPNTS
<b>CORPORATE IDENTITY NUMBER (CIN)</b>	L24114PN2000PLC014669
<b>ISIN</b>	INE09VQ01012 (NSDL & CDSL)
<b>COMPANY'S ADDRESS FOR CORRESPONDENCE</b>	Ms. Dayeeta Gokhale Company Secretary & Compliance Office Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune- 411045. Telephone: +91 20 66814300 Email: <a href="mailto:secretarial@indigopaints.com">secretarial@indigopaints.com</a> Website: <a href="http://www.indigopaints.com">www.indigopaints.com</a>
<b>ADDRESS OF THE REGISTRARS &amp; SHARE TRANSFER AGENTS</b>	Link Intime India Pvt Ltd Block No. 202, 2 <sup>nd</sup> Floor, Akshay Complex, Off, Dhole Patil Rd, Near Ganesh Temple, Pune, Maharashtra 411001 Telephone.: 020 2616 1629/ 022 – 4918 6270 Email.: <a href="mailto:pune@linkintime.co.in">pune@linkintime.co.in</a>
<b>FINANCIAL CALENDAR (TENTATIVE):</b>	First Quarter Results On or before 14 <sup>th</sup> August 2023 Second Quarter Results On or before 14 <sup>th</sup> November 2023 Third Quarter Results On or before 14 <sup>th</sup> February 2024 Last Quarter Results and Annual Audited Results Within 60 days of the close of financial Year ending on 31 <sup>st</sup> March 2024 i.e. On or before 30 <sup>th</sup> May 2024
<b>DIVIDEND PAYMENT:</b>	₹3.50/- (Three Rupees and Fifty Paise) 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 31<sup>st</sup> March, 2023, 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	21,70,451	4.56
Held in dematerialised form in NSDL	4,54,17,806	95.44
Physical	25	0.00

**PAYMENT OF LISTING FEES:**

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2023-2024 within the stipulated time.

**PLANT LOCATIONS**

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

**DISTRIBUTION OF SHAREHOLDING AS ON 31STMARCH, 2023**

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	Up to 500	1,21,954	30,47,937	6.40
2	501-1,000	488	3,45,746	0.73
3	1,001-2,000	170	2,34,063	0.49
4	2,001-3,000	44	1,09,105	0.23
5	3,001-4,000	28	98,609	0.21
6	4,001-5,000	21	98,712	0.21
7	5,001-10,000	35	2,42,229	0.51
8	Above 10,001	45	4,34,11,881	91.22
	<b>TOTAL</b>	<b>1,22,785</b>	<b>4,75,88,282</b>	<b>100</b>

## CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2023

Sr. No.	Category	No. of Shares of ₹ 10/- each	% of Shareholding
1	Promoter & Promoter Group*	2,56,86,615	53.98
2	Clearing Members	3,423	0.01
3	Other Bodies Corporate	2,29,704	0.48
4	Directors	10,903	0.02
5	Foreign Company	1,20,13,635	25.24
6	Hindu Undivided Family	80,457	0.17
7	Mutual Funds	2,57,880	0.54
8	Non Resident Indians	1,30,562	0.27
9	Public	37,19,941	7.83
10	Insurance Companies	9,15,635	1.92
11	Foreign Portfolio Investors (Category I & II)	41,89,470	8.80
12	Alternate Investment Funds - III	3,50,057	0.74
	<b>TOTAL</b>	<b>4,75,88,282</b>	<b>100</b>

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

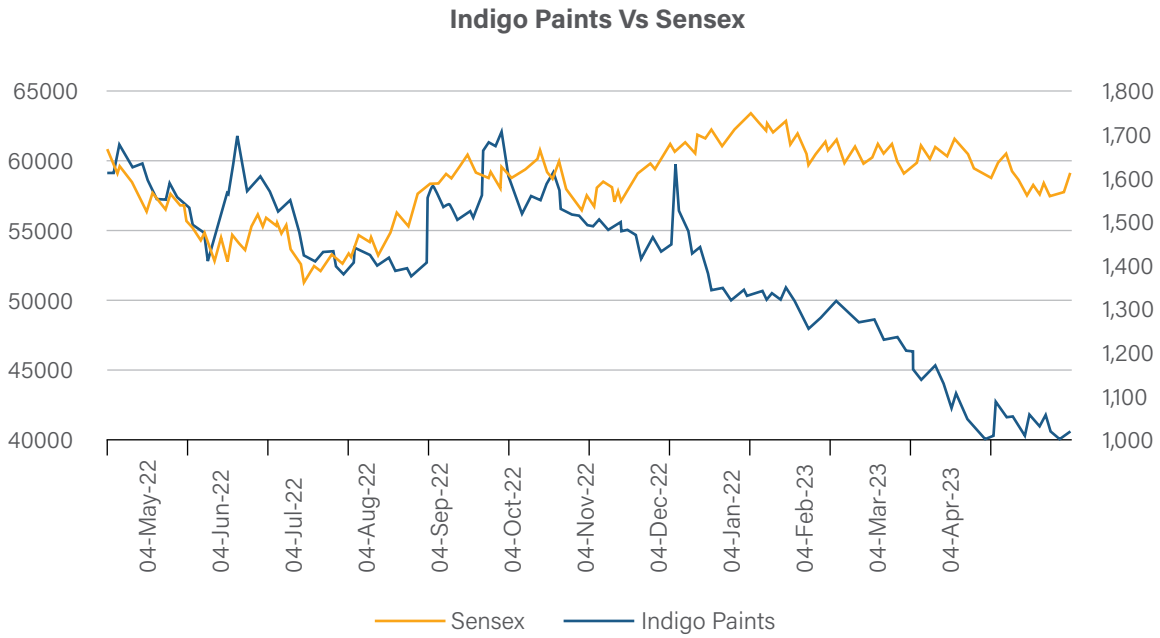
The details of monthly high/low market price of the Equity Shares of the Company at BSE Ltd. and at the National Stock Exchange of India Ltd. for the year under review is provided hereunder:

	BSE		NSE	
	High	Low	High	Low
April 22	1,739.00	1,525.00	1,740.00	1,525.50
May 22	1,742.25	1,376.30	1,746.00	1,353.60
June 22	1,675.00	1,377.90	1,699.00	1,373.95
July 22	1,571.80	1,375.00	1,490.60	1,364.55
August 22	1,730.90	1,400.25	1,731.95	1,400.20
September 22	1,692.70	1,480.00	1,693.85	1,486.00
October 22	1,524.95	1,411.70	1,518.95	1,413.15
November 22	1,687.45	1,313.60	1,688.00	1,313.00
December 22	1,362.85	1,240.00	1,374.00	1,240.00
January 23	1,316.40	1,166.85	1,319.95	1,161.00
February 23	1,200.70	994.45	1,192.00	995.00
March 23	1,127.95	981.05	1,128.00	981.95

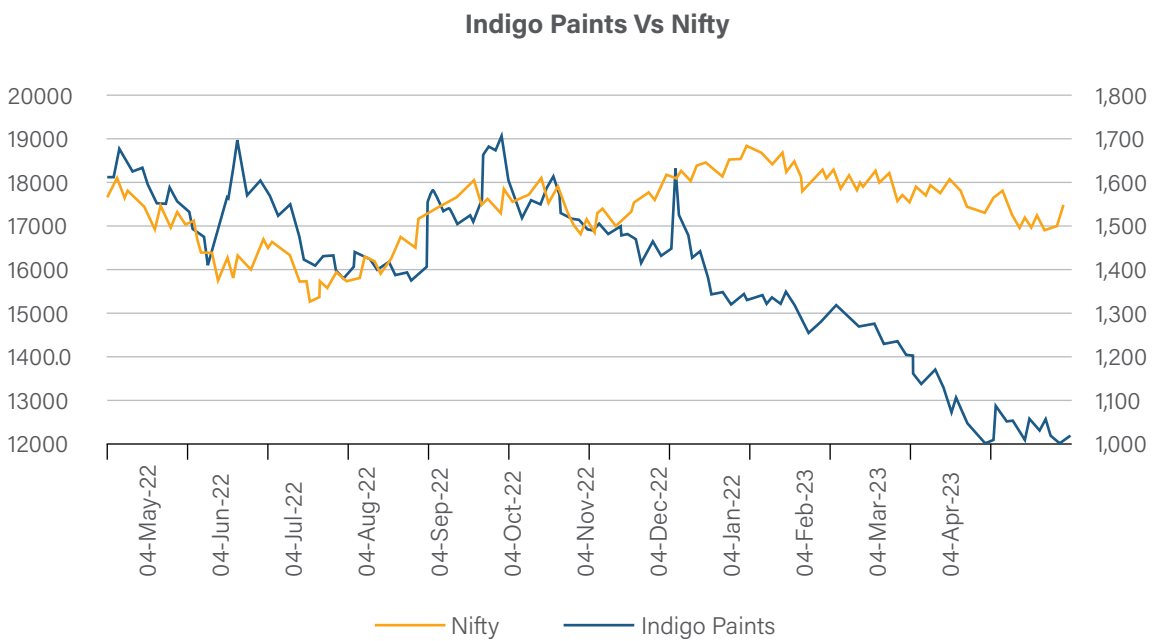


**STOCK PERFORMANCE vs. SENSEX AND NIFTY**

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, 2023**

Particulars	No. of shares	Percentage of Total Number of Shares
Held in dematerialised form in CDSL	21,70,451	4.56
Held in dematerialised form in NSDL	4,54,17,806	95.44
Physical	25	0.00

Description	Shares	% to Equity
Physical	25	0.00
NSDL	4,54,17,806	95.44
CDSL	21,70,451	4.56
<b>TOTAL</b>	<b>4,75,88,282</b>	<b>100</b>

**OUTSTANDING GDRs/ADRs/WARRANTS/ CONVERTIBLE INSTRUMENTS AS ON MARCH 31, 2023: 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, 2023 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

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

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

All Related Party Transactions as defined under the 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 [www.indigopaints.com/investors](http://www.indigopaints.com/investors). During the year 2022-23, 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 [www.indigopaints.com/investors](http://www.indigopaints.com/investors)

**(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 Mehta & Mehta, 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 31<sup>st</sup> March, 2023 from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on June 29, 2023 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:

Type of Service	₹ in Lakhs)	
	Financial Year 2022-23	Financial Year 2021-22
Audit Fees*#	50.00	40.50
Others	-	-
<b>Total</b>	<b>50.00</b>	<b>40.50</b>

\*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, 2023 is covered separately in the Notes to Accounts.

**DISCLOSURE UNDER SEXUAL HARASSMENT**

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

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

\* Ms. Nupur Garg (DIN: 03414074), resigned w.e.f. May 04, 2023. Pursuant to resignation of Ms. Nupur Garg, the Board has appointed, in its Board Meeting June 29, 2023, Ms. Ashwini Deshpande as Chairperson of Internal Complaints Committee with immediate effect.

The details of sexual harassment complaints for the year ended March 31, 2023 are furnished as under:

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

**MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

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

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

**REPORT ON CORPORATE GOVERNANCE**

This Chapter read together with the "Annexure to Corporate Governance", constitutes the Compliance Report on Corporate Governance for FY 2022-23.

For and on behalf of Indigo Paints Limited

**Mr. Hemant Kamala Jalan**

Place: Pune

Chairman and Managing Director

Date: June 29, 2023

DIN: 00080942

## 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 31<sup>st</sup> March, 2023.

For and on behalf of Indigo Paints Limited

Place: Pune  
Date: June 29, 2023

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

## Annexure II

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
**Indigo Paints Limited**  
Indigo Tower, Street-5,  
Pallod Farm-2, Baner Road,  
Pune-s411045

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 information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in 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.	Nupur Garg	03414074	01/06/2020
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 **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Ashwini Inamdar**

Partner

FCS No: 9409

CP No.: 11226

UDIN: F009409E000522735

Place: Mumbai  
Date: 29.06.2023



## Annexure III

**CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by **Indigo Paints Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2023 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").

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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 **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

Place: Mumbai  
Date: 29.06.2023

**Ashwini Inamdar**  
Partner  
FCS No: 9409  
CP No.: 11226  
UDIN: F009409E000522482

## Annexure IV

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

To  
The Members,  
**INDIGO PAINTS LIMITED**  
Dear Sir/Madam,

Sub: Compliance Certificate for the year ended 31<sup>st</sup> March, 2023 – Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or 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: June 29, 2023

# Business Responsibility and Sustainability Report

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Business Responsibility and Sustainability Report (BRSR) in the Annual Report is mandatory for the top 1000 listed companies, based on market capitalisation as on 31<sup>st</sup> March of every year. The BRSR is based on the format suggested by SEBI

## SECTION A: GENERAL DISCLOSURES

### I. DETAILS

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	<a href="mailto:secretarial@indigopaints.com">secretarial@indigopaints.com</a>	
7	Telephone	020-66814300	
8	Website	<a href="http://www.indigopaints.com">www.indigopaints.com</a>	
9	<b>Date Of Start Of Financial Year</b>	<b>Start Date</b>	<b>End Date</b>
	Financial Year	01-04-2022	31-03-2023
	Previous Year	01-04-2021	31-03-2022
	Prior To Previous Year	01-04-2020	31-03-2021
10	Name of the Stock Exchange(s) where shares are listed	a. BSE Limited (BSE) b. National Stock Exchange of India Limited (NSE)	
11	Paid-up Capital	₹ 47,58,82,820	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name Of Contact Person	Chetan Bhalchandra Humane	
	Designation	Chief Financial Officer	
	Contact Number Of Contact Person	020-66814300	
	Email Of Contact Person	<a href="mailto:secretarial@indigopaints.com">secretarial@indigopaints.com</a>	
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).	The disclosures under this report are made on standalone basis for Indigo Paints Limited.	

### II. PRODUCTS/SERVICES

#### 14. Details of business activities

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

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacturing of Paints, varnishes, enamels or lacquers	202	100

### III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	5*	47	52
International	0	0	0

\*Pudukkottai facility under trial production

#### 17. Markets served by the entity:

##### a. Number of locations

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

\*Includes Union Territories

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

0.30%

##### 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.

### IV. EMPLOYEES

#### 18. Details as at the end of Financial Year:

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

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
<b>EMPLOYEES</b>								
1.	Permanent (D)	788	776	98.48	12	1.52	0	0.00
2.	Other than Permanent (E)	0	0	0.00	0	0.00	0	0.00
3.	Total employees (D + E)	788	776	98.48	12	1.52	0	0.00
<b>WORKERS</b>								
4.	Permanent (F)	60	40	66.67	20	33.33	0	0.00
5.	Other than Permanent (G)	605	523	86.45	82	13.55	0	0.00
6.	Total workers (F + G)	665	563	84.66	102	15.34	0	0.00

##### b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>								
1.	Permanent (D)	1	1	100.00	0	0.00	0	0.00
2.	Other than Permanent (E)	0	0	0.00	0	0.00	0	0.00
3.	Total differently abled employees (D + E)	1	1	100.00	0	0.00	0	0.00
<b>DIFFERENTLY ABLED WORKERS</b>								
4.	Permanent (F)	0	0	0.00	0	0.00	0	0.00
5.	Other than Permanent (G)	0	0	0.00	0	0.00	0	0.00
6.	Total differently abled workers (F + G)	0	0	0.00	0	0.00	0	0.00

### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	3	37.5
Key Management Personnel	2	0	0

### 20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)				FY 2021-22 (Turnover rate in previous FY)				FY 2020-21 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	135	1	0	136	97	6	0	103	49	1	0	50
Permanent Workers	3	0	0	3	1	0	0	1	0	0	0	0

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

NA

## VI. CSR DETAILS

### 22. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in ₹)	1,07,333.43 Lakhs
Net worth (in ₹)	77,612.75 Lakhs

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 23. 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 (Yes/ No)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	0	0	0	0
Investors (other than shareholders)	Yes	0	0	0	0	0	0
Shareholders	Yes	4	0	0	17	0	0
Employees and workers	Yes	0	0	0	0	0	0
Customers	Yes	42	3	0	56	2	0
Value Chain Partners	Yes	0	0	0	0	0	0

Notes-

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.

Investors and Shareholders- The Company has a dedicated email id i.e. [secretarial@indigopaints.com](mailto:secretarial@indigopaints.com) on which the investors and shareholders can raise their grievances.



Employees and workers- The Company has in place Internal Complaints Committee and employees and workers can approach our HR Department for registering their grievances.

Customers- The Company has a dedicated email id and customer care phone number i.e. [info@indigopaints.com](mailto:info@indigopaints.com) and +91 2931281162 on which the customers can raise their grievances.

Value Chain Partners- The Company has a Supplier Code of Conduct in place to address the grievances raised by value chain partners.

#### 24. 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 or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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.	Negative and Positive Implications
4	Governance	O	The Company ensures highest level of corporate governance and compliances with the statutory authorities	-	Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.**

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="http://www.indigopaints.com/investors">www.indigopaints.com/investors</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	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 Sustainability Initiatives Section forming a part of the Annual Report on Page 28								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
<b>Governance, leadership and oversight</b>									
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 04								
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. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Mr. Hemant Kamala Jalan, Chairperson and Managing Director oversees and periodically review Business Responsibility and Sustainability Initiatives of the Company.								

**10. Details of Review of NGRBCs by the Company:**

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 Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee	Director								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Director								
Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
Performance against above policies and follow up action Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	Ongoing								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	Ongoing								

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

No

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									
The policies are reviewed on a periodic basis internally									

NA

## SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

### 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	3	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	10	Employee Well-Being (Health and Finance), Product and Systems Training.	62
Workers	4	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 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Principals	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Principals	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

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.

NA

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

Yes. The Company has the policy and is available on [www.indigopaints.com/investor](http://www.indigopaints.com/investor)

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

	FY 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2022-23		FY 2021-22	
	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.

NA

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..

## LEADERSHIP INDICATORS

## 1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) 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,

## PRINCIPLE 2

## BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

## ESSENTIAL INDICATORS

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

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

The Company is currently not maintaining this data separately, this data will be available in the subsequent years.

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

Yes. The company actively evaluates and sources raw materials that have lower environmental impacts, such as using water-based or low-VOC (Volatile Organic Compounds) formulations. The manufacturing base at Tamil Nadu is being expanded for the manufacturing of water-based paints. The use of green technology and bio-based material is increasing along with the growing awareness of climate change.

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

The Company is currently not maintaining this data separately, this data will be available in the subsequent years.

## 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

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



#### 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Yes, EPR is applicable to the Company. The Company is registered with CPCB. The Company has initiated post-consumer waste management projects with Third party vendors as a part of EPR to ensure safe disposal of pre-consumer and post-consumer packaging. For the FY 22-23, the Company collected and recycled off, or safely disposed-off over 1957 MT rigid and 277 MT of flexible plastic waste respectively.

### PRINCIPLE 3

#### BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

#### ESSENTIAL INDICATORS

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	776	776	100.00	776	100.00	0	0.00	0	0.00	0	0.00
Female	12	12	100.00	12	100.00	12	100.00	0	0.00	0	0.00
Total	788	788	100.00	788	100.00	12	100.00	0	0.00	0	0.00
<b>Other than Permanent employees</b>											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	40	0	0	40	100.00	0	0	0	0	0	0
Female	20	0	0	20	100.00	20	100.00	0	0	0	0
Total	60	0	0	60	100.00	20	100.00	0	0	0	0
<b>Other than Permanent workers</b>											
Male	523	0	0	0	0	0	0	0	0	0	0
Female	82	0	0	0	0	0	0	0	0	0	0
Total	605	0	0	0	0	0	0	0	0	0	0

##### 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	100	Yes	100	100	Yes
Others - please specify						

### 3. Accessibility of workplaces

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

### 4. 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.

[www.indigopaints.com/investors](http://www.indigopaints.com/investors)

### 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	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

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

Yes

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers	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.
Permanent Employees Other than Permanent Employees	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 communication and ensures that employees have multiple channels through which they can report any issues or grievances.  Through these initiatives, the Company actively 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.

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

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	788	0	0	708	0	0
- Male	776	0	0	681	0	0
- Female	12	0	0	27	0	0
- Others	0	0	0	0	0	0
Total Permanent Workers	60	34	56.66	63	37	58.73
- Male	40	26	65	43	29	67.44
- Female	20	8	40	20	8	40
- Others	0	0	0	0	0	0

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

Category	FY 2022-23					FY 2021-22				
	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)
<b>EMPLOYEES</b>										
Male	776	609	78.47	543	69.97	681	315	46.10	315	46.10
Female	12	12	100.00	12	100.00	27	25	92.59	25	92.59
Others	0	0	0	0	0	0	0	0	0	0
Total	788	621	78.81	555	70.43	708	340	48.02	340	48.02
<b>Workers: FY 2022-23:</b>										
Male	563	563	100.00	451	80.10	136	100	73.52	100	73.52
Female	102	102	100.00	92	90.19	94	75	79.78	75	79.78
Others	0	0	0	0	0	0	0	0	0	0
Total	665	665	100.00	543	81.65	230	175	76.08	175	76.08

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>EMPLOYEES</b>						
Male	776	776	100	681	681	100
Female	12	12	100	27	27	100
Others	0	0	0	0	0	0
Total	788	788	100	708	708	100
<b>WORKERS</b>						
Male	563	563	100	133	133	100
Female	102	102	100	94	94	100
Others	0	0	0	0	0	0
Total	665	665	100	227	227	100

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

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. (Y/N)

The Company has established procedures to enable workers to report work-related hazards effectively. Moreover, the Company has implemented systems for reporting Hazard Near-Miss incidents.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under Company's health insurance and personal accident policy.

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

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	18.30	16.28
	Workers	0	0
Total recordable work-related injuries	Employees	8	7
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

## 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, and utilizing 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:

	FY 2022-23			FY 2021-22		
	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	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

## 14. Assessments for the year:

	% 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 (A) Employees (Yes/No) (B) Workers(Yes/No):**

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.

#### 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 (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	E-mail	Quarterly	<ul style="list-style-type: none"> <li>Competitive rewards and remuneration</li> <li>Health and safety</li> <li>Performance evaluation and recognition</li> </ul>
Local Communities	Yes	Community Meetings	Ongoing	Community development programmes through CSR initiatives
Regulatory Authorities	No	E-mail	Ongoing	<ul style="list-style-type: none"> <li>Compliance with rules and regulations</li> <li>Timely reporting through various compliance-based forms</li> </ul>
Customers	No	Interaction through digital media; E-mail; Advertisements; Website	Need-Based	<ul style="list-style-type: none"> <li>New and innovative products, as per latest market requirements</li> <li>Easy access to products and services</li> </ul>
Shareholders	No	E-mail	Need-Based	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Regulatory Compliances</li> <li>Overall Company Performance</li> </ul>
Dealers, Suppliers and other Business partners	No	E-mail	Need-Based	<ul style="list-style-type: none"> <li>Pricing and favourable terms of payment</li> <li>Timely clearance</li> </ul>

## LEADERSHIP INDICATORS

1. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised 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.

## PRINCIPLE 5

### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

#### 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 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
<b>EMPLOYEES</b>						
Permanent	788	712	90.36	645	620	96.12
Other than permanent	0	0	0.00	0	0	0.00
Total Employees	788	712	90.36	645	620	96.12
<b>WORKERS</b>						
Permanent	60	56	93.33	63	51	80.95
Other than permanent	605	584	96.53	164	158	96.34
Total Workers	665	640	96.24	227	209	92.07

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	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)
<b>EMPLOYEES</b>										
Permanent	788	0	0	788	100	645	0	0	645	100
Male	776	0	0	776	100	634	0	0	634	100
Female	12	0	0	12	100	11	0	0	11	100
Others	0	0	0	0	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
Permanent	60	0	0	60	100	63	0	0	63	100
Male	40	0	0	40	100	47	0	0	47	100
Female	20	0	0	20	100	16	0	0	16	100
Others	0	0	0	0	0	0	0	0	0	0
Other than permanent	605	0	0	605	100	164	0	0	164	100
Male	523	0	0	523	100	90	0	0	90	100
Female	82	0	0	82	100	74	0	0	74	100
Others	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	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	15,00,000
Key Managerial Personnel	2	30,24,283	0	0
Employees other than BoD and KMP	772	4,91,455	12	4,95,808
Workers	39	2,37,577	20	2,62,310

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/No)

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.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Any grievance regarding to human rights are reported to the Human Resource Team through a dedicated email id. The HR team validates the grievance and forwards the same to the internal committee for its consideration and action. The committee has to resolve the grievance within a stipulated timeline as mentioned in the HR Policy of the Company.

## 6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wagest	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

## 7. 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.

## 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

## 9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others - please specify	100

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 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.

## 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	Please specify unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	GJ	17,794	16,000
Total fuel consumption (B)	GJ	535	533
Energy consumption through other sources (C)	GJ	0	0
Total energy consumption (A+B+C)	GJ	18,329	16,533
Energy intensity per rupee of turnover (Total energy consumption/ turnover in Crore rupees)	GJ	17.08	18.25
Energy intensity (optional) - the relevant metric may be selected by the entity	GJ	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes. Sprih Labs

### 2. 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? (Y/N)

Not Applicable

### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	0	0
(ii) Groundwater	kilolitres	0	0
(iii) Third party water	kilolitres	36,978	32,487
(iv) Seawater / desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	36,978	32,487
Total volume of water consumption (in kilolitres)	kilolitres	36,978	32,487
Water intensity per rupee of turnover (Water consumed / Crore ₹ turnover)	Kilolitres/ Rs. Cr	34.46	35.86
Water intensity (optional) - the relevant metric may be selected by the entity	Kilolitres/ Rs. Cr	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Sprih Labs

**4. Has the entity implemented a mechanism for Zero Liquid Discharge?**

Yes. 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.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Micro Gram	17.15	15.87
SOx	Micro Gram	16.10	14.22
Particulate matter (PM)	Micro Gram	78.50	74.75
Persistent organic pollutants (POP)	Micro Gram	0.00	0.00
Volatile organic compounds (VOC)	Micro Gram	0.00	0.00
Hazardous air pollutants (HAP)	Micro Gram	0.00	0.00
Others - please specify	Micro Gram	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions ( Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	38.13	37.96
Total Scope 2 emissions ( Break-up of the GHG into CO 2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,522.55	4,066.55
Total Scope 1 and Scope 2 emissions per Crore of turnover	tco2e/Rs. Cr	4.25	4.53
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Sprih Labs

**7. Does the entity have any project related to reducing Green House Gas emission?**

Yes. The Company has taken several initiatives to reduce the GHG Emissions. It has installed solar panels for lightings in its facilities and has plans to extend the renewable energy utilization for other energy uses. The Company has also installed energy efficient machinery in its manufacturing facilities.



8. Provide details related to waste management by the entity, in the following format:

**For Financial Year 2022-23:**

Type of Waste (in metric tonnes)	Generated	Recycled	Re-used	Other Recovery	Incinerated	Land-filled	Other disposal
Plastic waste (A)	322.00	320.00	-	-	-	2.00	-
E-waste (B)	0.01	0.01	-	-	-	-	-
Bio-medical waste (C)	0.01	-	-	-	0.01	-	-
Construction and demolition waste (D)	-	-	-	-	-	-	-
Battery waste (E)	0.16	0.16	-	-	-	-	-
Radioactive waste (F)	-	-	-	-	-	-	-
Other Hazardous waste. (G)	69.40	3.40	-	-	-	66.00	-
Other Non-hazardous waste generated (H).	459.57	308.00	151.57	-	-	-	-
<b>Total</b>	<b>851.14</b>	<b>631.57</b>	<b>151.57</b>	<b>-</b>	<b>0.01</b>	<b>68.00</b>	<b>-</b>

**For Financial Year 2021-22:**

Type of Waste (in metric tonnes)	Generated	Recycled	Re-used	Other Recovery	Incinerated	Land-filled	Other disposal
Plastic waste (A)	324.00	320.00	-	-	-	4.00	-
E-waste (B)	0.01	0.01	-	-	-	-	-
Bio-medical waste (C)	0.00	-	-	-	0.00	-	-
Construction and demolition waste (D)	-	-	-	-	-	-	-
Battery waste (E)	-	-	-	-	-	-	-
Radioactive waste (F)	-	-	-	-	-	-	-
Other Hazardous waste. (G)	134.00	10.00	-	-	-	124.00	-
Other Non-hazardous waste generated (H).	417.19	300.00	117.19	-	-	-	-
<b>Total</b>	<b>875.21</b>	<b>630.01</b>	<b>117.19</b>	<b>-</b>	<b>0.00</b>	<b>128.00</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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9. 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.

10. 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:

NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

NA

12. 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).

Yes

#### LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
From renewable sources			
Total electricity consumption (A)	GJ	-	-
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C) other sources	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	-	0
From non-renewable sources			
Total electricity consumption (D)	GJ	17,794	16,000
Total fuel consumption (E)	GJ	535	533
Energy consumption through other sources (F) other sources	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	18,329	16,533

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

Sprih Labs

2. Provide the following details related to water discharged:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(ii) To Groundwater	kilolitres	-	-
- No treatment)	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iii) To Seawater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iv) Sent to third-parties	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(v) Others	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
Total water discharged (in kilolitres)	kilolitres	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

### 3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Water withdrawal, consumption and discharge in areas of water stress

- (i) Name of the area: Jodhpur  
(ii) Nature of operations: Product/Paint manufacturing factory (Factory - Jodhpur Unit-1 and Factory - Jodhpur Unit-II)  
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)			
Surface water	kilolitres	-	-
Groundwater	kilolitres	-	-
Sent to third-parties	kilolitres	4,335	4,022
Seawater / desalinated water	kilolitres	0	0
Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres)	kilolitres	4,335	4,022
Total volume of water consumption (in kilolitres)	kilolitres	4,335	4,022
Water intensity per rupee of turnover (Water consumed / turnover) (Kilolitres/ Rs. Cr)	kilolitres	4.04	4.44
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	-	-
Water discharge by destination and level of treatment (in kilolitres)			
(i) Into Surface water	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(ii) Into Groundwater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iii) Into Seawater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iv) Sent to third-parties	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(v) Others	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
Total water discharged (in kilolitres)	kilolitres	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

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#### 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.

- 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 (State/National)
1	Indian Paint Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

NA

## 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:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	44.86	43.04
Sourced directly from within the district and neighbouring districts	10.93	11.29

#### 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	1,000	100

**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 customer.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	<b>As a percentage to total turnover</b>
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:**

	<b>FY 2022-23 (Current Financial Year)</b>		<b>Remarks</b>	<b>FY 2021-22 (Previous Financial Year)</b>		<b>Remarks</b>
	<b>Received during the year</b>	<b>Pending resolution at end of year</b>		<b>Received during the year</b>	<b>Pending resolution at end of year</b>	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	42	3		56	2	

**4. Details of instances of product recalls on account of safety issues:**

	<b>Number</b>	<b>Reasons for recall</b>
Voluntary recalls	-	NA
Forced recalls	-	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)**

Yes

If available, provide a web-link of the policy.

[www.indigopaints.com/investors](http://www.indigopaints.com/investors)**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



**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](http://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.

4. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

NA

- b. Percentage of data breaches involving personally identifiable information of customers

NA

# Independent Auditor's Report

To the Members of  
**Indigo Paints Limited**

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of Indigo Paints Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the

Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Revenue from contracts with Customer - Sale of goods</b> (refer note 18 of the financial statements)</p> <p>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 consideration given to the customers. An estimate of variable consideration payable to the customers is recorded as at the year-end.</p> <p>The terms of sales arrangements, including the timing of transfer of control, and the nature of discounts and rebate arrangements/schemes and historical experience, create complexities that require judgment in determining revenues. Considering the above factors; Revenue from contracts with customer, has been determined as a key audit matter.</p>	<p>Our audit procedures included, among others the following</p> <ul style="list-style-type: none"> <li>• 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'.</li> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of the internal financial controls relating to revenue recognition process.</li> <li>• We carried out analytical procedures on revenue recognised during the year to identify unusual variances</li> <li>• 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.</li> <li>• We compared the historical trend of payments and reversal of discounts and rebates to provisions made to assess the current year accruals</li> <li>• Amongst others, we performed the following tests for a sample of transactions:</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Tested the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end.</li> <li>• Compared that the actual discounts and rebates in a respect of a particular scheme does not exceed their approval amount.</li> <li>• We read and assessed the relevant disclosures of Revenue from contracts with Customers made in the financial statements.</li> </ul>

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

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

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

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 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 that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 31 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 44 to the 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 44 to the 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. 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.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vaibhav Kumar Gupta**

Partner

Membership Number: 213935

UDIN: 23213935BGYWYD6323

Place of Signature: Pune

Date: May 26, 2023



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

## Re: Indigo Paints Limited ('the Company')

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 have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the Ind AS financial statements are held in the name of the Company except freehold land aggregating gross carrying value of ₹ 539.93 Lakhs as at March 31, 2023 for which title deeds are not in the name of the Company. Also refer note 3.1(ii).
- (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, 2023.
- (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 and have been properly dealt with in the books of account.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 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. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and 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)(b) of the Order is not applicable to the Company.
- (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 sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to 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 of professional tax. 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) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues 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
		1.94 (net of ₹ 0.35 paid under protest)	FY 2012-13	Commissioner of Income-tax (Appeals), Cochin
Income Tax Act, 1961	Income Tax	7.15	FY 2019-20	Commissioner of Income-tax (Appeals)
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
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 Value Added Tax Act, 2003	Value added tax	0.87	FY 2016-17	Kerala Value Added Tax Appellate Tribunal, Ernakulam
The Kerala Building Tax Act, 1975	Building Tax	22.75	FY 2019-20	The Tahasildar, Kanayannur Taluk, Kanayannur, Kochi

- (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) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) & (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 payable on demand and current account. The maximum amount of idle/surplus funds invested (excluding accrued interest) during the year was ₹ 7,855.50 Lakhs of which ₹ 141.89 Lakhs 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 [cost auditor/ 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)(c) of the Order is not applicable to the Company.
- (d) There are no other Companies as 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 or during 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.
- (b) 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 Company does not have any subsidiary, associate or joint venture. Hence, the requirement to report on clause 3(xxi) of the order is not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Vaibhav Kumar Gupta**

Partner

Membership Number: 213935

UDIN: 23213935BGYWD6323

Place of Signature: Pune

Date: May 26, 2023

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

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

We have audited the internal financial controls with reference to financial statements of Indigo Paints Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and

their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

#### **Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to

future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 **Vaibhav Kumar Gupta**

Partner

Membership Number: 213935

UDIN: 23213935BGYWYD6323

Place of Signature: Pune

Date: May 26, 2023



# Balance Sheet

as at March 31, 2023

(All amounts in rupees Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	17,953.30	18,919.70
Capital work in progress	3.1	25,091.30	5,097.27
Right-of-use assets	3.2	5,430.38	3,320.43
Goodwill	3.3	3,055.20	3,055.20
Other intangible assets	3.3	30.56	38.38
Financial assets			
Other financial assets	5	162.90	155.21
Other assets	9	2,562.74	4,163.39
		<b>54,286.38</b>	<b>34,749.58</b>
<b>Current assets</b>			
Inventories	6	11,765.75	11,771.93
Financial assets			
a) Investments	4	13,168.64	17,309.54
b) Trade receivables	7	20,010.96	17,165.25
c) Cash and cash equivalents	8.1	4,717.93	3,553.27
d) Bank balances other than cash and cash equivalents	8.2	161.37	6,408.85
e) Other financial assets	5	17.86	9.02
Other assets	9	2,031.53	1,021.11
		<b>51,874.04</b>	<b>57,238.97</b>
<b>TOTAL</b>		<b>106,160.42</b>	<b>91,988.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	10	4,758.83	4,756.90
b) Other equity	11	72,853.92	60,228.94
		<b>77,612.75</b>	<b>64,985.84</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	35	694.31	774.10
Other liabilities	15	480.02	484.26
Provisions	16	271.72	475.04
Deferred tax liabilities (net)	17	693.55	847.12
		<b>2,139.60</b>	<b>2,580.52</b>
<b>Current liabilities</b>			
Financial liabilities			
a) Lease liabilities	35	491.22	469.54
b) Trade payables - total outstanding dues of:			
- micro enterprises and small enterprises	13	5,465.69	4,469.55
- creditors other than micro enterprises and small enterprises	13	15,592.17	15,671.47
c) Other financial liabilities	14	1,102.06	672.54
Other liabilities	15	1,600.52	1,543.70
Provisions	16	684.68	227.45
Liabilities for income tax (net)		1,471.73	1,367.94
		<b>26,408.07</b>	<b>24,422.19</b>
<b>TOTAL</b>		<b>106,160.42</b>	<b>91,988.55</b>
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 Vaibhav Kumar Gupta**

Partner

Membership number: 213935

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

CIN :L24114PN2000PLC014669

**Hemant Jalan**

Chairman &amp; Managing Director

DIN: 00080942

**Sujoy Bose**

Company Secretary &amp; Compliance Officer

A - 43755

Place: Pune

Date: May 26, 2023

**Anita Jalan**

Director

DIN: 00085411

**Chetan Humane**

Chief Financial Officer

PAN: ABGPH4376K

Place: Pune

Date: May 26, 2023

# Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in rupees Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from operations	18	107,333.43	90,597.48
Other income	19	1,006.75	1,089.32
<b>Total income (I)</b>		<b>108,340.18</b>	<b>91,686.80</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	20	57,632.77	50,888.16
Purchase of traded goods		2,056.57	1,926.02
(Increase) in inventories of finished goods and traded goods	21	(164.41)	(1,461.72)
Employee benefits expense	22	7,310.08	5,632.91
Finance costs	23	137.59	133.04
Depreciation and amortization expense	24	3,434.66	3,125.08
Other expenses	25	22,345.18	20,013.74
<b>Total expenses (II)</b>		<b>92,752.44</b>	<b>80,257.23</b>
<b>Profit before tax (III) = (I - II)</b>		<b>15,587.74</b>	<b>11,429.57</b>
<b>Tax expense</b>			
Current tax	17	4,179.57	2,877.37
Adjustment of tax relating to earlier periods		(1,632.99)	-
Deferred tax	17	(152.78)	147.40
<b>Total tax expense</b>		<b>2,393.80</b>	<b>3,024.77</b>
<b>Profit for the year</b>		<b>13,193.94</b>	<b>8,404.80</b>
<b>Other comprehensive income (OCI)</b>			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement (loss)/gain on defined benefit plans		(3.14)	17.86
Income tax effect		0.79	(4.50)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>(2.35)</b>	<b>13.36</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>13,191.59</b>	<b>8,418.16</b>
<b>Earnings per equity share (face value ₹10)</b>	26		
- Basic (Amount in ₹)		27.73	17.67
- Diluted (Amount in ₹)		27.67	17.63
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 Vaibhav Kumar Gupta**

Partner

Membership number: 213935

Place: Pune

Date: May 26, 2023

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

CIN :L24114PN2000PLC014669

**Hemant Jalan**

Chairman &amp; Managing Director

DIN: 00080942

**Sujoy Bose**

Company Secretary &amp; Compliance Officer

A - 43755

Place: Pune

Date: May 26, 2023

**Anita Jalan**

Director

DIN: 00085411

**Chetan Humane**

Chief Financial Officer

PAN: ABGPH4376K

# Statement of Cash flows

for the year ended March 31, 2023

(All amounts in rupees Lakhs, unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	15,587.74	11,429.57
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expense	3,434.66	3,125.08
Employee stock option expenses	860.36	218.71
Provision for impairment of financial assets (net)	46.95	26.15
(Gain)/loss on disposal of property, plant and equipment (net)	(98.05)	5.63
Finance costs	137.59	133.04
Dividend on CCCPS	0.10	-
Fair value gain on financial instruments at fair value through profit or loss	(765.05)	(443.92)
Interest (income)	(103.69)	(606.00)
<b>Operating profit before working capital changes</b>	<b>19,100.61</b>	<b>13,888.26</b>
<b>Working capital adjustments</b>		
Increase in trade payables and other financial liabilities	922.71	1,126.90
Increase in other liabilities	52.58	407.02
Increase in provisions	230.95	299.89
(Increase) in trade receivables	(2,892.66)	(5,072.24)
Decrease/(increase) in inventories	6.18	(2,304.46)
(Increase) in other assets	(3,349.74)	(258.53)
(Increase)/decrease in other financial assets	(16.53)	1,016.35
<b>Cash generated from operating activities</b>	<b>14,054.10</b>	<b>9,103.19</b>
Direct taxes paid (net of refunds)	(2,442.79)	(2,584.10)
<b>Net cash flow from operating activities (A)</b>	<b>11,611.31</b>	<b>6,519.09</b>
<b>Cash flows (used in) investing activities</b>		
Purchase of property, plant and equipment and intangible assets including movement in CWIP, capital advances and capital creditors	(19,925.67)	(12,078.34)
Proceeds from sale of property, plant and equipment	228.07	3.17
Purchase of short term investments	(3,000.00)	(11,900.00)
Proceeds from sale of short term investments	7,905.95	2.31
Investments in bank deposits (having original maturity of more than three months)	(1,438.22)	(18,000.00)
Proceeds from maturity of bank deposits	7,536.00	34,493.18
Interest received	253.39	563.30
<b>Net cash flow (used in) investing activities (B)</b>	<b>(8,440.48)</b>	<b>(6,916.38)</b>
<b>Cash flows (used in) financing activities</b>		
Proceeds from exercise of share options	1.93	-
(Repayment of) short-term borrowings (net)	-	(3.28)
Payment of principal portion of lease liabilities	(581.03)	(502.86)
Dividend paid to shareholders	(1,427.07)	-
Interest paid	-	(23.19)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(2,006.17)</b>	<b>(529.33)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>1,164.66</b>	<b>(926.62)</b>
Cash and cash equivalents at the beginning of the year	3,553.27	4,479.89
<b>Cash and cash equivalents at the end of the year</b>	<b>4,717.93</b>	<b>3,553.27</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	10.06	8.38
Balances with banks		
- on current accounts	4,276.13	3,544.89
- deposits with original maturity of less than three months	431.74	-
<b>Total cash and cash equivalents (refer note 8.1)</b>	<b>4,717.93</b>	<b>3,553.27</b>

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No: 324982E/E300003

**per Vaibhav Kumar Gupta**

Partner

Membership number: 213935

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

CIN :L24114PN2000PLC014669

**Hemant Jalan**

Chairman &amp; Managing Director

DIN: 00080942

**Sujoy Bose**

Company Secretary &amp; Compliance Officer

A - 43755

Place: Pune

Date: May 26, 2023

**Anita Jalan**

Director

DIN: 00085411

**Chetan Humane**

Chief Financial Officer

PAN: ABGPH4376K

Place: Pune

Date: May 26, 2023

# Statement of Changes in Equity

for the year ended March 31, 2023

(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
<b>As at April 1, 2021</b>	<b>47,568,997</b>	<b>4,756.90</b>
Changes in share capital	-	-
<b>As at March 31, 2022</b>	<b>47,568,997</b>	<b>4,756.90</b>
Issue of shares on exercise of stock options (refer note 11 and 29)	19,285	1.93
<b>As at March 31, 2023</b>	<b>47,588,282</b>	<b>4,758.83</b>

## B. OTHER EQUITY# (ALSO REFER NOTE 11)

Particulars	Attributable to equity shareholders				Total other equity
	Reserves and surplus				
	Securities premium	General reserves	Employee stock option reserve	Retained earnings	
<b>Balance as at April 1, 2021</b>	<b>39,424.05</b>	<b>43.78</b>	<b>52.87</b>	<b>12,071.37</b>	<b>51,592.07</b>
Profit for the year	-	-	-	8,404.80	8,404.80
Other comprehensive income	-	-	-	13.36	13.36
Share-based payments (refer note 22 and 29)	-	-	218.71	-	218.71
<b>Balance as at March 31, 2022</b>	<b>39,424.05</b>	<b>43.78</b>	<b>271.58</b>	<b>20,489.53</b>	<b>60,228.94</b>
<b>Balance as at April 1, 2022</b>	<b>39,424.05</b>	<b>43.78</b>	<b>271.58</b>	<b>20,489.53</b>	<b>60,228.94</b>
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)
<b>Balance as at March 31, 2023</b>	<b>39,570.85</b>	<b>43.78</b>	<b>985.14</b>	<b>32,254.15</b>	<b>72,853.92</b>

#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 Vaibhav Kumar Gupta

Partner

Membership number: 213935

### For and on behalf of the Board of Directors of

### Indigo Paints Limited

CIN :L24114PN2000PLC014669

### Hemant Jalan

Chairman &amp; Managing Director

DIN: 00080942

### Sujoy Bose

Company Secretary &amp; Compliance Officer

A - 43755

Place: Pune

Date: May 26, 2023

### Anita Jalan

Director

DIN: 00085411

### Chetan Humane

Chief Financial Officer

PAN: ABGPH4376K

Place: Pune

Date: May 26, 2023

# Notes to financial statements

for the year ended March 31, 2023

(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 26, 2023.

## 2.1 SIGNIFICANT ACCOUNTING POLICIES

### (A) Basis of preparation

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

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

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

### (B) Summary of significant accounting policies

#### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### b. Foreign currencies

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

#### Transactions and balances

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

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

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



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## c. Fair value measurement

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

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between

levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

## d. Revenue from contract with customer

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

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## Variable consideration

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

### (i) Rights of return

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

### (ii) Volume rebates

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

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

## Trade receivables

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

## Contract liabilities

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

### e. Government grants

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

### f. Taxes

#### Current income tax

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

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

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

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Services tax paid, except:

- (i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- (ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## g. Property, plant and equipment (including Capital work in progress)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. It comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Assets	Useful lives (in years) prescribed in Schedule II of the act (Single shift basis)
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

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

Leasehold improvements are depreciated on a straight-line basis over the period of the lease or useful life whichever is lower. The lease term is five years.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## h. 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.

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

## i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The

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.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

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 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

## ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date with no option for extension and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## k. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

- (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.

## I. 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 its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# Notes to financial statements for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-

term employee benefit for measurement purposes. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

## o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## Financial assets

### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (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.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the

Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

### Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank



# Notes to financial statements

for the year ended March 31, 2023

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overdrafts as they are considered an integral part of the Company's cash management.

## r. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has identified the Managing Director and Chief Executive Officer as the chief operating decision maker of the Company.

## s. Contingent liability

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

## t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying 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

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

## Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable 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.

Revenue recognition - Estimating variable consideration for returns and volume rebates

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

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, 2023, but do not have a material impact on the financial statements of the Company.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees Lakhs, unless otherwise stated)

## 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	Freehold land [refer note (ii)]	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
<b>Cost</b>											
<b>At April 1, 2021</b>	1,439.20	8,925.63	11,541.74	409.30	202.62	34.60	669.05	43.02	54.58	23,319.74	311.54
Additions	-	20.98	2,559.72	63.06	26.59	-	27.37	8.24	55.76	2,761.72	7,507.52
Disposals/transfers	-	-	(30.50)	(0.23)	-	-	-	(0.20)	(2.52)	(33.45)	(2,721.79)
<b>At March 31, 2022</b>	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)
<b>At March 31, 2023</b>	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
<b>Depreciation</b>											
<b>At April 1, 2021</b>	-	483.73	3,617.28	85.95	30.57	34.60	188.53	27.34	28.75	4,496.75	-
Charge for the year	-	304.71	2,174.67	52.40	22.03	-	82.91	10.86	8.63	2,656.21	-
Disposals/transfers	-	-	(21.82)	(0.11)	-	-	-	(0.20)	(2.52)	(24.65)	-
<b>At March 31, 2022</b>	-	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)	-
<b>At March 31, 2023</b>	-	1,070.56	8,099.05	153.03	74.82	-	341.13	45.62	46.81	9,831.02	-
<b>Net block</b>											
<b>At March 31, 2022</b>	1,439.20	8,158.17	8,300.83	333.89	176.61	-	424.98	13.06	72.96	18,919.70	5,097.27
<b>At March 31, 2023</b>	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

### 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
<b>At March 31, 2022</b>	6,197.02	2,307.94	(25.67)	8,479.29	2,335.22	1,521.01	(16.99)	3,839.24	4,640.05
<b>At March 31, 2023</b>	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

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 3.1 PROPERTY, PLANT AND EQUIPMENT (PPE) (Contd..)

- ii. With respect to immovable property aggregating ₹ 539.93 Lakhs acquired in earlier year, registration of title deeds in name of the Company is in progress.

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company.
PPE	Freehold land	539.93	Crystal Skylines LLP	No	January 29, 2021	Purchase agreement is done on January 29, 2021. Process is initiated for transferring the land in the name of the Company.

- iii. 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, 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					
- Pudukkottai	20,136.03	4,697.43	92.41	-	24,925.87
- Others	155.83	-	9.60	-	165.43
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>20,291.86</b>	<b>4,697.43</b>	<b>102.01</b>	<b>-</b>	<b>25,091.30</b>

CWIP ageing schedule as at March 31, 2022

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					
- Pudukkottai	4,945.71	92.41	-	-	5,038.12
- Others	43.67	15.48	59.15	-	
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>4,989.38</b>	<b>107.89</b>	<b>-</b>	<b>-</b>	<b>5,097.27</b>

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

Given the payment was not delayed as on March 31, 2022, disclosure has not been provided.



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 3.2 RIGHT OF USE ASSETS

Particulars	Leasehold land	Leased Building	Total
<b>Cost</b>			
<b>At April 1, 2021</b>	<b>2,254.61</b>	<b>1,743.71</b>	<b>3,998.32</b>
Additions	-	837.13	837.13
Disposals/transfers	-	(122.91)	(122.91)
<b>At March 31, 2022</b>	<b>2,254.61</b>	<b>2,457.93</b>	<b>4,712.54</b>
Additions	2,265.28	445.81	2,711.09
Disposals/transfers	-	(88.79)	(88.79)
<b>At March 31, 2023</b>	<b>4,519.89</b>	<b>2,814.95</b>	<b>7,334.84</b>
<b>Depreciation</b>			
<b>At April 1, 2021</b>	<b>58.73</b>	<b>930.45</b>	<b>989.18</b>
Charge for the year	22.89	438.26	461.15
Disposals/transfers	-	(58.22)	(58.22)
<b>At March 31, 2022</b>	<b>81.62</b>	<b>1,310.49</b>	<b>1,392.11</b>
<b>Charge for the year</b>	<b>32.86</b>	<b>523.77</b>	<b>556.63</b>
Disposals/transfers	-	(44.28)	(44.28)
<b>At March 31, 2023</b>	<b>114.48</b>	<b>1,789.98</b>	<b>1,904.46</b>
<b>Net block</b>			
<b>At March 31, 2022</b>	<b>2,172.99</b>	<b>1,147.44</b>	<b>3,320.43</b>
<b>At March 31, 2023</b>	<b>4,405.41</b>	<b>1,024.97</b>	<b>5,430.38</b>

## 3.3 INTANGIBLE ASSETS AND GOODWILL

Particulars	Goodwill	Computer software	Total intangible assets
<b>Cost</b>			
<b>At April 1, 2021</b>	<b>3,055.20</b>	<b>70.51</b>	<b>3,125.71</b>
Additions	-	-	-
Disposals/transfers	-	-	-
<b>At March 31, 2022</b>	<b>3,055.20</b>	<b>70.51</b>	<b>3,125.71</b>
Additions	-	-	-
Disposals/transfers	-	-	-
<b>At March 31, 2023</b>	<b>3,055.20</b>	<b>70.51</b>	<b>3,125.71</b>
<b>Amortization</b>			
<b>At April 1, 2021</b>	<b>-</b>	<b>24.41</b>	<b>24.41</b>
Charge for the year	-	7.72	7.72
Disposals/transfers	-	-	-
<b>At March 31, 2022</b>	<b>-</b>	<b>32.13</b>	<b>32.13</b>
<b>Amortisation for the year</b>	<b>-</b>	<b>7.82</b>	<b>7.82</b>
Disposals/transfers	-	-	-
<b>At March 31, 2023</b>	<b>-</b>	<b>39.95</b>	<b>39.95</b>
<b>Net block</b>			
<b>At March 31, 2022</b>	<b>3,055.20</b>	<b>38.38</b>	<b>3,093.58</b>
<b>At March 31, 2023</b>	<b>3,055.20</b>	<b>30.56</b>	<b>3,085.76</b>

## 3.4 IMPAIRMENT TESTING OF GOODWILL

As at the March 31, 2023, the carrying amount of goodwill is ₹ 3,055.20 Lakhs (March 31, 2022: ₹ 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.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 3.4 IMPAIRMENT TESTING OF GOODWILL (Contd..)

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, 2023: 10% (March 31, 2022: 10%). Based on the cash flow projections, discount rate and other assumptions including gross margin, sales discount, market share, volume growth, etc it was concluded that the value in use exceeds the carrying value of goodwill and overall CGU. As a result of the analysis, no impairment of the Goodwill was required. As at March 31, 2023, 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 CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Investments at fair value through profit or loss		
Investments in mutual funds (quoted funds)	13,168.64	17,309.54
<b>Total current investments</b>	<b>13,168.64</b>	<b>17,309.54</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>13,168.64</b>	<b>17,309.54</b>

Also refer note 36 for determination of fair values.

## 5 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>		
<b>Financial Instruments at amortised cost</b>		
Security deposits	161.95	154.26
Bank deposits with remaining maturity of more than twelve months	0.95	0.95
<b>Total other non-current financial assets</b>	<b>162.90</b>	<b>155.21</b>
<b>Current</b>		
<b>Financial Instruments at amortised cost</b>		
Security deposits	17.86	4.99
Balance with statutory/government authorities	-	4.03
<b>Total other current financial assets</b>	<b>17.86</b>	<b>9.02</b>

## 6 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components*	4,518.30	4,688.89
Finished goods#	6,884.07	6,722.75
Traded goods#	363.38	360.29
<b>Total inventories</b>	<b>11,765.75</b>	<b>11,771.93</b>

\*includes goods in transit ₹ 442.29 Lakhs (March 31, 2022: ₹ 115.57 Lakhs)

#includes sales in transit ₹ 219.50 Lakhs (March 31, 2022: ₹ 109.82 Lakhs)

For the year ended March 31, 2023 ₹(12.29) Lakhs (March 31, 2022 ₹ 77.89 Lakhs) was recognised (net of reversals) as an (income)/ expense for finished goods inventories carried at net realisable value. These were recognised as an (income)/ expense during the year and included in cost of raw materials and components consumed in the Statement of profit and loss.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 7 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	20,010.96	17,165.25
Break-up for security details:		
Secured, considered good	-	-
Unsecured, considered good	19,906.18	17,103.36
Trade receivables which have significant increase in credit risk	266.78	211.89
Trade receivables - credit impaired	-	-
	<b>20,172.96</b>	<b>17,315.25</b>
Impairment allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	(55.15)	(47.85)
Trade receivables which have significant increase in credit risk	(106.85)	(102.15)
Trade Receivables - credit impaired	-	-
	<b>(162.00)</b>	<b>(150.00)</b>
	<b>20,010.96</b>	<b>17,165.25</b>

### Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					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	-	-	-	-	-	-
<b>Total</b>	<b>19,523.47</b>	<b>317.29</b>	<b>126.23</b>	<b>21.66</b>	<b>184.31</b>	<b>20,172.96</b>

### Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					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	16,880.35	136.33	46.62	11.83	28.23	17,103.36
(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	1.25	6.35	19.68	63.62	120.99	211.89
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>16,881.60</b>	<b>142.68</b>	<b>66.30</b>	<b>75.45</b>	<b>149.22</b>	<b>17,315.25</b>

# Notes to financial statements

 for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 7 TRADE RECEIVABLES (Contd..)

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, hence the same is not disclosed in the ageing schedule.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	150.00	141.00
Less: Bad debts/ write off	(34.95)	(17.15)
	<b>115.05</b>	<b>123.85</b>
Add: Provision made during the year	46.95	26.15
Less: Utilized /reversed during the year	-	-
<b>At the end of the year</b>	<b>162.00</b>	<b>150.00</b>

## 8 CASH AND BANK BALANCES

Particulars	As at March 31, 2023	As at March 31, 2022
<b>8.1 Cash and cash equivalents</b>		
Balance with Banks		
- on current accounts#	4,276.13	3,544.89
- deposits with original maturity of less than three months@	431.74	-
Cash on hand	10.06	8.38
<b>Total cash and cash equivalents</b>	<b>4,717.93</b>	<b>3,553.27</b>
<b>8.2 Bank balances other than cash and cash equivalents</b>		
Other bank balances		
Balance in unpaid dividend account*	0.12	-
Deposits with original maturity of more than three months but remaining maturity of less than twelve months@	161.25	6,408.85
Deposits with remaining maturity of more than twelve months@	0.95	0.95
Less: Amount disclosed under other financial assets (refer note 5)	(0.95)	(0.95)
<b>Total bank balances other than cash and cash equivalents</b>	<b>161.37</b>	<b>6,408.85</b>
	<b>4,879.30</b>	<b>9,962.12</b>

# includes ₹ 5.26 Lakhs (March 31, 2022: ₹ 2,031.69 Lakhs) earmarked as monitoring account balance towards unutilized IPO proceeds. Refer note 10.

@ includes ₹ 159.12 Lakhs (March 31, 2022: ₹ 6,408.85 Lakhs) earmarked as bank deposits towards unutilized IPO proceeds. Refer note 10.

\*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.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 9 OTHER ASSETS

(Unsecured, considered good unless otherwise stated)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Capital advances	223.42	4,163.39
Balance with statutory/government authorities#	2,339.32	-
<b>Total other non-current assets</b>	<b>2,562.74</b>	<b>4,163.39</b>
<b>Current</b>		
Advance to vendors	406.81	148.24
Prepaid expenses	171.26	101.02
Prepaid employee benefits (refer note 27)	10.06	37.08
Employee advances	17.92	9.59
Balance with statutory/government authorities#	1,425.48	725.18
<b>Total other current assets</b>	<b>2,031.53</b>	<b>1,021.11</b>

#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 (Nos.)	Amount
<b>As at April 1, 2021</b>	<b>70,000,000</b>	<b>7,000.00</b>
Increase during the year	-	-
<b>As at March 31, 2022</b>	<b>70,000,000</b>	<b>7,000.00</b>
Increase during the year	-	-
<b>As at March 31, 2023</b>	<b>70,000,000</b>	<b>7,000.00</b>

### B. Issued, subscribed and fully paid up equity shares:

Particulars	Equity shares	
	No. of Shares (Nos.)	Amount
<b>As at April 1, 2021</b>	<b>47,568,997</b>	<b>4,756.90</b>
Issue of shares on exercise of stock options (refer note 29)	-	-
<b>As at March 31, 2022</b>	<b>47,568,997</b>	<b>4,756.90</b>
Issue of shares on exercise of stock options (refer note 29)	19,285	1.93
<b>As at March 31, 2023</b>	<b>47,588,282</b>	<b>4,758.83</b>



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 10 EQUITY SHARE CAPITAL (Contd..)

During the financial year ended March 31, 2021, the Company had completed the Initial Public Offering (IPO) and details of utilisation of IPO Proceeds of ₹ 28,711.21 Lakhs (adjusted with final share of Company's share issue expenses), are as follows:

Particulars	Planned as per prospectus	Revised proceeds@	Utilized upto March 31, 2023	Un-utilized as on March 31, 2023
Funding capital expenditure for the Proposed expansion	15,000.00	15,000.00	15,000.00	-
Purchase of tinting machines and gyroshakers	5,000.00	5,000.00	4,858.11	141.89
Repayment/prepayment of certain borrowings of Company	2,500.00	2,500.00	2,500.00	-
General corporate purposes@	6,115.60	6,211.21	6,211.21	-
<b>Total</b>	<b>28,615.60</b>	<b>28,711.21</b>	<b>28,569.32</b>	<b>141.89</b>

@ Adjusted based on the final share of the Company's issue expenses

IPO proceeds which were unutilised as at March 31, 2023 were temporarily retained in monitoring account and fixed deposits. Refer note 8.

### 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, 2022: ₹ 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, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid				
Hemant Jalan	8,567,500	18.00%	8,567,500	18.01%
Anita Jalan	6,987,500	14.68%	6,987,500	14.69%
Kamalprasad Jalan	3,548,545	7.46%	3,548,545	7.46%
Halogen Chemicals Private Limited - India	4,958,070	10.42%	4,958,070	10.42%
Sequoia Capital India Investments IV - Mauritius	5,779,480	12.14%	6,529,960	13.73%
SCI Investments V - Mauritius	6,234,155	13.10%	7,043,675	14.81%

- E. 43,984,320 bonus shares were issued in FY 2016-17 by capitalization of securities premium for various class of equity shares and compulsory convertible cumulative preference shares (CCCPS). Subsequently, all classes of equity shares and CCCPS were converted to ordinary equity shares.

### F. Details of shares held by promoter group

#### Equity shares of ₹10 each fully paid

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Hemant Jalan</b>		
%	<b>18.00%</b>	<b>18.01%</b>
No. of shares	8,567,500	8,567,500
% change during the year	(0.01%)	-
<b>Anita Jalan</b>		
%	<b>14.68%</b>	<b>14.69%</b>
No. of shares	6,987,500	6,987,500
% change during the year	(0.01%)	-

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 10 EQUITY SHARE CAPITAL (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Kamalaprasad Jalan</b>		
%	7.46%	7.46%
No. of shares	3,548,545	3,548,545
% change during the year	0.00%	-
<b>Parag Jalan</b>		
%	3.41%	3.42%
No. of shares	1,625,000	1,625,000
% change during the year	(0.01%)	-
<b>Halogen Chemicals Private Limited</b>		
%	10.42%	10.42%
No. of shares	4,958,070	4,958,070
% change during the year	0.00%	-
<b>Shashi Bhagat</b>		
%	0.00%	0.00%
No. of shares	-	23
% change during the year	0.00%	0.00%

## 11 OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Reserves and surplus</b>		
<b>Securities premium</b>		
Balance as per last financial statements	39,424.05	39,424.05
Add: Transferred from share based payment reserve	146.80	-
<b>Closing balance</b>	<b>39,570.85</b>	<b>39,424.05</b>
<b>General reserve</b>		
Balance as per last financial statements	43.78	43.78
<b>Closing balance</b>	<b>43.78</b>	<b>43.78</b>
<b>Employee stock option reserve</b>		
Balance as per last financial statements	271.58	52.87
Add: Compensation for options granted during the year (refer note 22 and 29)	860.36	218.71
Less: Exercise of share options	(146.80)	-
<b>Closing balance</b>	<b>985.14</b>	<b>271.58</b>
<b>Retained earnings</b>		
Opening balance	20,489.53	12,071.37
Add: Profit for the year	13,193.94	8,404.80
Add: Dividend on CCCPS	0.10	-
Less: Dividend paid during the year (refer note 12)	(1,427.07)	-
<b>Items of other comprehensive income recognised directly in retained earnings:</b>		
Re-measurement gain on defined benefit plans, net of tax ₹(0.79) Lakhs (March 31, 2022 ₹ 4.50 Lakhs)	(2.35)	13.36
<b>Closing balance</b>	<b>32,254.15</b>	<b>20,489.53</b>
<b>Total other equity</b>	<b>72,853.92</b>	<b>60,228.94</b>

**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.

**Employee stock option reserve:** The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 12 DISTRIBUTION MADE AND PROPOSED

The Company has in the board meeting dated May 26, 2023, proposed a dividend of ₹ 1,665.59 Lakhs (March 31, 2022: ₹1,427.07 Lakhs).

Particulars	March 31, 2023	March 31, 2022
<b>Dividend declared and paid</b>		
Dividend for the year ended on March 31, 2022: ₹3 per share	1,427.07	-
	<b>1,427.07</b>	-
<b>Proposed dividends on equity shares:</b>		
Proposed dividend for the year ended on March 31, 2023: ₹3.50 per share	1,665.59	1,427.07
	<b>1,665.59</b>	<b>1,427.07</b>

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, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 32)	5,465.69	4,469.55
- total outstanding dues of creditors others than micro enterprises and small enterprises	15,592.17	15,671.47
<b>Total trade payables</b>	<b>21,057.86</b>	<b>20,141.02</b>

Terms and conditions of the above financial liabilities:

**a. Trade payables are non-interest bearing and are normally settled on 60-90 days terms.**

For explanations on the Company's financial risk management processes, refer to note 38.

### 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) MSME	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 - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Subtotal</b>	<b>13,853.04</b>	<b>1,741.59</b>	<b>2.04</b>	<b>3.50</b>	<b>-</b>	<b>15,600.17</b>
Unbilled	5,457.69					
<b>Total</b>	<b>13,853.04</b>	<b>1,741.59</b>	<b>2.04</b>	<b>3.50</b>	<b>-</b>	<b>21,057.86</b>

### Trade payables ageing schedule as at March 31, 2022

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) MSME	3,924.21	542.91	2.43	-	-	4,469.55
(ii) Others	7,863.09	2,073.06	1.15	-	-	9,937.30
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Subtotal</b>	<b>11,787.30</b>	<b>2,615.97</b>	<b>3.58</b>	<b>-</b>	<b>-</b>	<b>14,406.85</b>
Unbilled	5,734.17					
<b>Total</b>	<b>11,787.30</b>	<b>2,615.97</b>	<b>3.58</b>	<b>-</b>	<b>-</b>	<b>20,141.02</b>

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 14 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Payables for property, plant and equipment and intangible assets	1,061.14	633.64
Security deposits	40.80	38.80
Proposed CCCPS dividend (including tax)	-	0.10
Unclaimed dividend	0.12	-
<b>Total other current financial liabilities</b>	<b>1,102.06</b>	<b>672.54</b>

## 15 OTHER LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non current</b>		
Deferred revenue (refer note 3, 18 and 34)	480.02	484.26
<b>Total other non-current liabilities</b>	<b>480.02</b>	<b>484.26</b>
<b>Current</b>		
Advance from customers (contract liabilities)	325.70	256.84
Deferred revenue (refer note 3, 18 and 34)	244.71	255.26
Statutory dues payables*	1,030.11	1,031.60
<b>Total other current liabilities</b>	<b>1,600.52</b>	<b>1,543.70</b>

\*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, 2023	As at March 31, 2022
<b>Non-Current</b>		
Provision for long term sales incentive	271.72	475.04
	<b>271.72</b>	<b>475.04</b>
<b>Current</b>		
Provision for leave encashment	265.61	227.45
Provision for long term sales incentive	419.07	-
	<b>684.68</b>	<b>227.45</b>
<b>Total provisions</b>	<b>956.40</b>	<b>702.49</b>

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, 2023	As at March 31, 2022
At the beginning of the year	475.04	252.53
Provision made during the year	195.93	199.37
Accretion of interest	19.82	23.14
<b>At the end of the year</b>	<b>690.79</b>	<b>475.04</b>
Non-current liabilities	271.72	475.04
Current liabilities	419.07	-

Long term sales incentive provision represents obligation of the Company to reward the customer for completion of prescribed sales target for each of the four years beginning from financial year 2019-20.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 17 INCOME TAXES

- (A) The 6major components of income tax expense for the year ended March 31, 2023 and year ended March 31, 2022 are:

### Statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current income tax:</b>		
Current income tax charge	4,179.57	2,877.37
Adjustment of tax relating to earlier periods	(1,632.99)	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(152.78)	147.40
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>2,393.80</b>	<b>3,024.77</b>

- (B) Deferred tax related to items recognised in other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurements of defined benefit asset	0.79	(4.50)
	<b>0.79</b>	<b>(4.50)</b>

- (C) Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for March 31, 2023 and March 31, 2022

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	15,587.74	11,429.57
<b>Tax as per India's statutory income tax rate of 25.17% (March 31, 2022: 25.17%)</b>	<b>3,923.43</b>	<b>2,876.82</b>
Impact of change in tax rates/tax law	-	46.89
Adjustment of tax relating to earlier periods	(1,632.99)	-
Non-deductible expenses for tax purposes	102.94	80.89
Others	0.42	20.17
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>2,393.80</b>	<b>3,024.77</b>

- (D) Deferred tax (liabilities)

Name of the shareholder	Balance sheet		Statement of profit and loss & OCI	
	As at March 31, 2023	As at March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax relates to the following				
Accelerated depreciation/ amortization for tax purposes	(893.35)	(1,004.32)	110.97	80.31
Change in fair value of financial instruments	(231.22)	(153.42)	(77.80)	(111.66)
Disallowances towards expenditure to be allowed in subsequent period	341.67	237.88	103.79	(142.61)
ICDS related allowances/ disallowances	43.68	42.14	1.54	8.48
Deferred tax on leased assets and liabilities (net)	40.41	24.55	15.86	9.08
On items recognized in OCI	5.26	6.05	(0.79)	4.50
<b>Deferred tax income/ (expense)</b>			<b>153.57</b>	<b>(151.90)</b>
<b>Net deferred tax (liabilities)</b>	<b>(693.55)</b>	<b>(847.12)</b>		



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 17 INCOME TAXES (Contd..)

### Reconciliation of deferred tax liabilities (net)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Opening balance</b>	847.12	695.22
Tax (income)/expense during the year recognised in profit or loss	(152.78)	147.40
Tax expense during the year recognised in OCI	(0.79)	4.50
<b>Closing balance</b>	<b>693.55</b>	<b>847.12</b>

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, 2023	March 31, 2022
<b>Revenue from contracts with customers (At a point in time)</b>		
Sale of goods	106,832.76	90,126.95
<b>Total revenue from contracts with customers</b>	<b>106,832.76</b>	<b>90,126.95</b>
<b>Other operating revenue</b>		
Scrap sales	214.54	220.32
Amortisation of deferred revenue (also refer note 3, 15 and 34)	286.13	250.21
<b>Total other operating revenue</b>	<b>500.67</b>	<b>470.53</b>
<b>Total revenue from operations</b>	<b>107,333.43</b>	<b>90,597.48</b>

### Disclosure pursuant to Ind AS 115: Revenue from contract with customers

#### A Disaggregated revenue

- (i) Revenue by geographical market

Particulars	March 31, 2023	March 31, 2022
Within India	107,013.04	90,399.96
Outside India	320.39	197.52
	<b>107,333.43</b>	<b>90,597.48</b>

#### B Contract balances

Particulars	March 31, 2023	March 31, 2022
Advance from customers (note 15)	325.70	256.84
Trade receivables (note 7)	20,010.96	17,165.25

#### C Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the year:

Particulars	March 31, 2023	March 31, 2022
Advance from customers (note 15)	256.84	268.28

#### D Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	March 31, 2023	March 31, 2022
Gross revenue (Invoicing as per contracted price)	125,658.27	102,710.48
- Discounts and rebates	(18,665.89)	(12,885.61)
- Changes in revenue due to performance obligations (net)	(159.62)	302.08
<b>Net revenue from contract with customers</b>	<b>106,832.76</b>	<b>90,126.95</b>

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 19 OTHER INCOME

Particulars	March 31, 2023	March 31, 2022
Interest income from financial assets carried at amortised cost		
- Bank deposits	103.69	606.00
Fair value gain on financial instruments at fair value through profit or loss	765.05	443.92
Foreign exchange differences (net)	(2.90)	20.66
Miscellaneous income	42.86	18.74
Profit on sales/disposal of tangible assets (net)	98.05	-
<b>Total other income</b>	<b>1,006.75</b>	<b>1,089.32</b>

## 20 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	March 31, 2023	March 31, 2022
Inventory at the beginning of the year	4,688.89	3,846.15
Add: purchases	57,462.18	51,730.90
	<b>62,151.07</b>	<b>55,577.05</b>
Less: inventory at the end of the year	4,518.30	4,688.89
<b>Total cost of raw materials and components consumed</b>	<b>57,632.77</b>	<b>50,888.16</b>

## 21 (INCREASE) IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS

Particulars	March 31, 2023	March 31, 2022
<b>Inventory at the end of the year</b>		
Finished goods	6,884.07	6,722.75
Traded goods	363.38	360.29
	<b>7,247.45</b>	<b>7,083.04</b>
<b>Inventory at the beginning of the year</b>		
Finished goods	6,722.75	5,247.35
Traded goods	360.29	373.97
	<b>7,083.04</b>	<b>5,621.32</b>
<b>(Increase) in inventories of finished goods and traded goods</b>	<b>(164.41)</b>	<b>(1,461.72)</b>

## 22 EMPLOYEE BENEFITS EXPENSE

Particulars	March 31, 2023	March 31, 2022
Salaries, wages and bonus	6,130.26	5,144.60
Employee stock option expenses (refer note 11 & 29)	860.36	218.71
Contribution to provident and other funds	190.46	167.10
Gratuity expenses (refer note 27)	25.55	25.37
Staff welfare expenses	103.45	77.13
<b>Total employee benefits expense</b>	<b>7,310.08</b>	<b>5,632.91</b>

## 23 FINANCE COSTS

Particulars	March 31, 2023	March 31, 2022
Interest expenses	(3.85)	10.55
Unwinding of financial liabilities (refer note 16 & 35)	141.44	122.49
<b>Total finance costs</b>	<b>137.59</b>	<b>133.04</b>

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 24 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (refer note 3.1)	2,870.21	2,656.21
Depreciation of Right-of-use assets (refer note 3.2)	556.63	461.15
Amortization of intangible assets (refer note 3.3)	7.82	7.72
<b>Total depreciation and amortization expense</b>	<b>3,434.66</b>	<b>3,125.08</b>

## 25 OTHER EXPENSES

Particulars	March 31, 2023	March 31, 2022
Consumption of stores and spares	286.22	163.29
Contract labour charges	641.53	536.26
Power and fuel	474.81	386.11
Freight and forwarding charges	9,626.56	8,050.71
Rates and taxes	289.65	88.76
Repairs and maintenance		
- Plant and machinery	173.02	150.20
- Others	211.19	187.41
Advertisement and sales promotion	8,269.52	8,806.31
Travelling and conveyance	1,240.61	749.73
Communication expense	38.61	36.89
Legal and professional charges	214.54	195.64
Payment to auditors		
- Audit fees	38.00	28.50
- Limited review	12.00	12.00
- Out of pocket expenses	2.04	0.49
Provision for impairment of financial assets	46.95	26.15
Loss on sales/disposal of tangible assets (net)	-	5.63
CSR expenditure (refer note A)	181.60	125.87
Miscellaneous expenses (including directors sitting fees and commission ₹ 60.00 Lakhs (March 31, 2022: ₹ 22.00 Lakhs))	598.33	463.79
<b>Total other expenses</b>	<b>22,345.18</b>	<b>20,013.74</b>

### A. Details of CSR expenditure

Particulars	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company during the year	181.60	125.25
b) Amount approved by the Board to be spent during the year	185.00	125.25

1. Amount spent during the year ended on March 31, 2023:	In cash	Yet to be paid	Total
i) Construction/acquisition of any asset	-	-	181.60
ii) On purposes other than (i) above	181.60	-	181.60

2. Amount spent during the year ended on March 31, 2022:	In cash	Yet to be paid	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	125.87	-	125.87

3. Details related to spent / unspent obligations:	March 31, 2023	March 31, 2022
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	181.60	125.87
iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 25 OTHER EXPENSES (Contd..)

4. Details of excess amount spent	Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
i) for the year ended March 31, 2022	-	125.87	125.87	-
ii) for the year ended March 31, 2023	-	181.60	182.96	1.36

## 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, 2023	March 31, 2022
Profit after tax attributable to the equity holders (₹ in Lakhs) (a)	13,193.94	8,404.80
Weighted average number of shares considered for calculating basic EPS (b)	47,573,224	47,568,997
Weighted average number of shares considered for calculating diluted EPS (c)	47,690,919	47,685,247
Nominal value of shares (₹)	10.00	10.00
Basic earnings per share (₹) (d) = (a)/(b)	27.73	17.67
Diluted earnings per share (₹) (e) = (a)/(c)	27.67	17.63

### Computation of weighted average number of shares

Particulars	March 31, 2023	March 31, 2022
Calculation of weighted number of shares of ₹ 10 each		
Number of shares outstanding as at April 01	47,568,997	47,568,997
Number of shares outstanding for 80 days	19,285	-
<b>Weighted average number of shares considered for calculation of Basic EPS</b>	<b>47,573,224</b>	<b>47,568,997</b>
Effect of dilution:		
Stock options granted under ESOP (refer note 29)	117,695	116,250
<b>Total considered for calculating Diluted EPS</b>	<b>47,690,919</b>	<b>47,685,247</b>

## 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.

### Net employee benefit expense on account of gratuity recognised in employee benefits expense

Particulars	March 31, 2023	March 31, 2022
Current service cost	29.30	27.44
Past service cost	-	-
Net interest (income)	(3.75)	(2.07)
<b>Net benefit expense recognised in the Statement of profit and loss</b>	<b>25.55</b>	<b>25.37</b>

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 27 GRATUITY (Contd..)

### Amount recognised in the statement of other comprehensive income

Particulars	March 31, 2023	March 31, 2022
Actuarial (gains) /losses arising from changes in financial assumptions	(6.84)	(11.45)
Actuarial (gains) arising from changes in experience assumptions	7.12	(7.05)
Actuarial (gains) /losses arising from changes in demographic assumptions	-	-
Return on plan assets excluding amounts included in interest loss	2.86	0.64
<b>Total re-measurement costs for the year recognised in other comprehensive income</b>	<b>3.14</b>	<b>(17.86)</b>

### Changes in the present value of the defined benefit obligation are as follows :

Particulars	March 31, 2023	March 31, 2022
Opening defined benefit obligation	204.73	197.45
Current service cost	29.30	27.44
Interest cost	14.09	12.78
Benefits paid	(14.18)	(14.44)
Re-measurement loss in other comprehensive income	0.28	(18.50)
<b>Closing defined benefit obligation</b>	<b>234.22</b>	<b>204.73</b>

### Changes in the fair value of plan assets are as follows :

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	241.81	214.20
Interest income	17.84	14.85
Contributions by employer	1.67	27.84
Benefits paid	(14.18)	(14.44)
Return on plan assets, excluding amount recognized in interest losses	(2.86)	(0.64)
<b>Fair value of plan assets at the end of the year</b>	<b>244.28</b>	<b>241.81</b>

### Net benefit (asset)

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation at the end of the year	234.22	204.73
Less: Fair value of plan assets at the end of the year	244.28	241.81
<b>Net benefit (asset)</b>	<b>(10.06)</b>	<b>(37.08)</b>

### The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	March 31, 2023	March 31, 2022
<b>Nature of plan assets</b>		
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 financial statements

 for the year ended March 31, 2023

(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, 2023	March 31, 2022
Discount rate	7.50%	7.25%
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)

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 and March 31, 2022 is as shown below:

Assumptions	Impact on defined benefit obligation		Impact on defined benefit obligation	
	March 31, 2023		March 31, 2022	
	Increase by 50 basis points	Decrease by 50 basis points	Increase by 50 basis points	Decrease by 50 basis points
Discount rate	(12.80)	13.99	(11.66)	12.78
Salary growth rate	14.21	(13.11)	12.99	(11.96)
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Withdrawal Rate	1.19	(1.23)	0.96	(0.99)

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, 2023	March 31, 2022
Within next 12 months	26.85	20.82
Between 1 to 5 years	37.76	34.80
Between 5 to 10 years	76.68	62.40

The average duration of the defined benefit plan obligation at the end of the year is 12.78 years (March 31, 2022: 13.22 years)

# Notes to financial statements

for the year ended March 31, 2023

(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	Company Secretary & Compliance Officer
Sunil Badriprasad Goyal	Independent Director
Praveen Kumar Ramniranjan Tripathi	Independent Director
Ravi Nigam	Independent Director
Nupur Garg (upto May 04, 2023)	Independent Director
Payal Jalan Charitable Trust	Entity controlled by KMP
Vinay Menon	Relative of KMP
Shashi Bhagat	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, 2023	Year ended March 31, 2022
<b>(i) Remuneration paid</b>		
Salary allowances and bonus*		
Hemant Jalan	240.00	144.00
Anita Jalan	15.00	6.00
Kottiedath Venugopal Narayanankutty	153.83	96.00
Vinay Menon	33.55	26.73
Chetan Humane	46.77	37.34
Sujoy Bose	13.76	9.48
<b>(ii) CSR expenditure</b>		
Payal Jalan Charitable Trust	82.00	60.87
<b>(iii) Directors sitting fees &amp; commission</b>		
Sunil Badriprasad Goyal	15.00	4.00
Praveen Kumar Ramniranjan Tripathi	15.00	4.00
Ravi Nigam	15.00	4.00
Nupur Garg	15.00	10.00

#### b. Closing balance

Particulars	March 31, 2023	March 31, 2022
<b>Remuneration payable</b>		
Hemant Jalan	20.00	9.61
Anita Jalan	1.02	0.49
Kottiedath Venugopal Narayanankutty	7.75	5.80
Vinay Menon	1.86	1.92
Chetan Humane	2.09	1.94
Sujoy Bose	1.13	0.65

\* The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 28 RELATED PARTY TRANSACTIONS (Contd..)

### 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
Date of grant	June 04, 2019	July 07, 2020	October 29, 2021	May 20, 2022
Date of board approval	April 29, 2019	July 07, 2020	October 29, 2021	May 20, 2022
Date of shareholder's approval	March 28, 2019	March 28, 2019	March 28, 2019	March 28, 2019
Number of options granted	27,750	21,250	70,750	27,450
Method of settlement	Equity settled			
Original vesting period	5 years	5 years	5 years	5 years
Revised vesting period#	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
Vesting conditions	Vesting based on continued association with the Company			

#During the current year, 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:

Name of the shareholder	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	116,250	10.00	48,500	10.00
Granted during the year	27,450	10.00	70,750	10.00
Forfeited during the year	(6,720)	10.00	(3,000)	10.00
Exercised during the year	(19,285)	10.00	-	-
Outstanding at the end of the year	117,695	10.00	116,250	10.00
Exercisable at the end of the year	8,515	10.00	-	-

### iii. The details of stock options exercised during the year:

Particulars	March 31, 2023	March 31, 2022
Number of options exercised during the year	19,285	-
Weighted average share price (₹)	10.00	-

### iv. The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2023	March 31, 2022
Number of options outstanding	117,695	116,250
Exercise price (₹)	₹ 10	₹ 10
Weighted average remaining contractual life of options (in years)	2.25 yrs	2.81 yrs

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 29 EMPLOYEE STOCK OPTION SCHEME (ADJUSTED FOR ISSUE OF BONUS SHARES) (Contd..)

### v. Stock options granted:

The weighted average fair value of stock options granted during the period was ₹2,098.68 (March 31, 2022: ₹1,574.59). 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	June 04, 2019	July 07, 2020	October 29, 2021	May 20, 2022
Modification date	September 02, 2022	September 02, 2022	September 02, 2022	September 02, 2022
Weighted average share price (₹)	235.90	606.96	2,390.59	1,611.60
	[56.31]	[108.77]	[1412.39]	[ - ]
Exercise Price (₹)	₹ 10	₹ 10	₹ 10	₹ 10
	[₹10]	[₹10]	[₹10]	[ - ]
Expected volatility (%)	28.00%	28.00%	28.00%	28.00%
	[33.00%]	[33.00%]	[33.00%]	[ - ]
Expected life of the options granted (in years)	1.18 to 4.18 yrs	2.27 to 5.27 yrs	3.58 to 6.58 yrs	4.14 to 7.14 yrs
	[4 years]	[4 years]	[4 years]	[ - ]
Average risk-free interest rate (%)	6.35% - 6.95%	3.69% - 4.96%	4.09% - 5.74%	5.96% - 7.25%
	[5.00%]	[5.00%]	[5.00%]	[ - ]
Dividend yield	0%	0%	0%	0.30%
	[1.26%]	[1.26%]	[1.26%]	[ - ]

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, 2023 amounted to ₹ 860.36 Lakhs (March 31, 2022: ₹ 218.71 Lakhs). The liability for employee stock options outstanding as at March 31, 2023 is ₹ 985.14 Lakhs (March 31, 2022: ₹ 271.58 Lakhs).

## 30 CAPITAL AND OTHER COMMITMENTS

- The estimated amounts of contract remaining to be executed on capital account and not provided for are ₹2,016.37 Lakhs (net of advances: ₹154.59 Lakhs) [March 31, 2022: ₹ 12,351.31 Lakhs (net of advances: ₹ 4,161.96 Lakhs)]
- 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.
- For commitments relating to lease arrangements, refer note 35.

## 31 CONTINGENT LIABILITIES

Particulars	March 31, 2023	March 31, 2022
Sales tax - C forms	6.14	2.67
Value added tax	1,727.80	1,727.80
Income tax matters	45.53	28.19
Excise and service tax related matters	5.72	5.72
Building tax	22.75	22.75
Goods and services tax	1,372.43	-
<b>Total*</b>	<b>3,180.37</b>	<b>1,787.13</b>

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 31 CONTINGENT LIABILITIES (Contd..)

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, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-- Principal amount due to micro and small enterprises	5,465.69	4,469.55
-- Interest due on above	6.65	10.50
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	32.79
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	-

## 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.



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 35 LEASES

### A Company as a lessee

The Company has lease contracts mainly for land and buildings (godowns and depots) used for factory operations, depots and storage of goods. Leases of such depots /godowns generally have lease terms between 3 and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of depots with lease terms of 12 months or less and leases of low value.

For details on Right to use assets, refer note 3.2

The carrying amounts of lease liabilities and the movements during the year:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
At the beginning of the year	1,243.64	874.71
Additions	445.81	837.13
Accretion of interest	121.62	99.35
Disposals/ Cancellations	(44.51)	(64.69)
Payments	(581.03)	(502.86)
<b>At the end of the year</b>	<b>1,185.53</b>	<b>1,243.64</b>
Current	491.22	469.54
Non-current	694.31	774.10

### Non-cash investing transaction

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Additions to lease liabilities and right-of-use assets	445.81	837.13
Disposals/ Cancellations	(44.51)	(64.69)
Interest accrued on lease liabilities	121.62	99.35

The maturity analysis of lease liabilities are disclosed in note 38.

The effective interest rate for lease liabilities is 10%, with maturity between 2023-2028.

The following are the amounts recognised in profit or loss:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	556.63	461.15
Interest expense on lease liabilities	121.62	99.35
Expense relating to short-term leases	-	-
<b>Total amount recognised in Statement of profit and loss</b>	<b>678.25</b>	<b>560.50</b>

The Company had total cash outflows for leases of ₹ 581.03 Lakhs in March 31, 2023 (₹ 502.86 Lakhs in March 31, 2022). The Company also had non-cash additions to right-of-use assets and lease liabilities of ₹ 445.81 Lakhs in March 31, 2023 (₹ 837.13 Lakhs in March 31, 2022). 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.

# Notes to financial statements

 for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 36 FAIR VALUE MEASUREMENTS

### i) Category of financial instruments and valuation techniques

#### Breakup of financial assets carried at amortised cost

	March 31, 2023	March 31, 2022
Trade receivables (refer note 7)	20,010.96	17,165.25
Cash and cash equivalent (refer note 8.1)	4,717.93	3,553.27
Bank balances other than Cash and cash equivalents (refer note 8.2)	161.37	6,408.85
Other financial assets (refer note 5)	180.76	164.23
<b>Total</b>	<b>25,071.02</b>	<b>27,291.60</b>

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

Name of the shareholder	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Investments	13,168.64	17,309.54	13,168.64	17,309.54
<b>Total</b>	<b>13,168.64</b>	<b>17,309.54</b>	<b>13,168.64</b>	<b>17,309.54</b>

#### Breakup of financial liabilities carried at amortised cost

	March 31, 2023	March 31, 2022
Trade payables (refer note 13)	21,057.86	20,141.02
Other financial liabilities (refer note 14)	1,102.06	672.54
<b>Total</b>	<b>22,159.92</b>	<b>20,813.56</b>

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, 2023 and March 31, 2022 respectively.

	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
<b>Financial assets measures at fair value</b>					
Investments (refer note 4)	March 31, 2023	13,168.64	-	-	13,168.64
	March 31, 2022	17,309.54	-	-	17,309.54

There has been no transfer among Level 1, Level 2 and Level 3 during the year.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 37 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The management and the board of directors monitors the return on capital as well as the level of dividends to the shareholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

	March 31, 2023	March 31, 2022
Debt (A)	-	-
Equity (B)	77,612.75	64,985.84
<b>Debt / Equity ratio (A/B)</b>	-	-

## 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 has negligible direct exposure to foreign currency risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the interest rate risk as there is no long-term debt obligations."

### (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.

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd..)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company uses ageing buckets and provision matrix for the purpose of computation of expected credit loss. The provision rates are based on past trend of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### (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, 2023 and March 31, 2022 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.

### (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.

CWIP	On demand	Next 12 months	1 to 5 years	> 5 years	Total
<b>March 31, 2023</b>					
Lease Liabilities	–	595.97	770.15	–	1,366.12
Trade payables	–	21,057.86	–	–	21,057.86
Other financial liabilities	–	1,102.06	–	–	1,102.06
	<b>–</b>	<b>22,755.89</b>	<b>770.15</b>	<b>–</b>	<b>23,526.04</b>
<b>March 31, 2022</b>					
Lease Liabilities	–	549.35	871.64	–	1,420.99
Trade payables	–	20,141.02	–	–	20,141.02
Other financial liabilities	–	672.54	–	–	672.54
	<b>–</b>	<b>21,362.91</b>	<b>871.64</b>	<b>–</b>	<b>22,234.55</b>

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees Lakhs, unless otherwise stated)

## 39 RATIOS ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.96	2.34	(16.24%)	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	-
Debt Service Coverage ratio	Earnings for debt service <sup>1</sup>	Debt service <sup>2</sup>	23.19	18.26	27.06%	Higher profits has resulted such change.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	18.51%	13.85%	33.57%	Higher profits has resulted such change.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.06	4.84	4.60%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.75	6.16	(6.63%)	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.89	2.77	4.19%	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	4.20	2.75	52.75%	Increased sales volume has resulted such change.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	12.35%	9.28%	33.12%	Higher profits due to decline in raw material prices.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed <sup>3</sup>	20.90%	18.42%	13.46%	-
Return on Investment	Interest (Finance Income)	Weighted average investments	4.63%	3.83%	20.90%	-

<sup>1</sup>Net profit after taxes + Non-cash operating expenses (i.e. Depreciation and amortisation, Finance cost, Loss/(gain) on disposal of PPE)

<sup>2</sup>Interest & Lease Payments

<sup>3</sup>Tangible Net Worth + Deferred Tax Liability

# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 40 STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The amendments are not expected to have a material impact on the Company's financial statements.

### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Company's financial statements.

## 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
Core Leadership Search Consulting Private Limited	Payable - Recruitment Services	March 31, 2023	-	March 31, 2023	-	-
		March 31, 2022	8.26	March 31, 2022	-	-
Pyrotech Electronics Private Limited	Payable - Purchase of Capital Goods	March 31, 2023	3.25	March 31, 2023	-	-
		March 31, 2022	-	March 31, 2022	-	-
Paint Shades Private Limited	Receivable - Sale of Goods	March 31, 2023	39.20	March 31, 2023	11.36	-
		March 31, 2022	18.79	March 31, 2022	6.42	-
Prarabdh Commercial India Private Limited	Receivable - Sale of Goods	March 31, 2023	1.98	March 31, 2023	(0.04)	-
		March 31, 2022	-	March 31, 2022	-	-



# Notes to financial statements

for the year ended March 31, 2023

(All amounts in rupees lakhs, unless otherwise stated)

## 42 BUSINESS ACQUISITION:

Subsequent to the year end, the Company has entered into a Share Purchase and Share Subscription Agreement ("SPSS") and a Shareholders Agreement ("SHA") on April 03, 2023 with Apple Chemie India Private Limited ("ACIPL") and its shareholders to acquire 51% equity shares in ACIPL. ACIPL is engaged in the manufacture and sale of construction chemicals and water proofing products. With the acquisition of 51% equity share, ACIPL will become a subsidiary of the Company, enabling the Company in expanding its product portfolio in the space of construction and water proofing products.

## 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 alongwith the logs of the back-up of such books of accounts.

## 44 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."
- (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 Vaibhav Kumar Gupta

Partner

Membership number: 213935

### For and on behalf of the Board of Directors of

### Indigo Paints Limited

CIN :L24114PN2000PLC014669

### Hemant Jalan

Chairman & Managing Director

DIN: 00080942

### Sujoy Bose

Company Secretary & Compliance Officer

A - 43755

Place: Pune

Date: May 26, 2023

### Anita Jalan

Director

DIN: 00085411

### Chetan Humane

Chief Financial Officer

PAN: ABGPH4376K

Place: Pune

Date: May 26, 2023


**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 23<sup>rd</sup> Annual General Meeting

**NOTICE** is hereby given that the **Twenty-Third Annual General Meeting** (the "AGM") of Indigo Paints Limited (the "Company") will be held on **Monday, August 07, 2023 at 11.00 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 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.

#### 2. Declaration of dividend on equity shares.

To declare final dividend of ₹ 3.50/- (Three Rupees and Fifty Paise only) per equity share of the face value ₹ 10/- (Rupees Ten Only) each for the financial year ended March 31, 2023.

#### 3. Appointment of Mr. Narayanankutty Kottiedath Venugopal as a Director, liable to retire by rotation: (DIN: 00296465)

To appoint a Director in place of Mr. Narayanankutty Kottiedath Venugopal (DIN: 00296465), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS:

#### 4. Appointment of Ms. Ashwini Deshpande (DIN: 00240443) as an Independent Director of the Company:

To consider 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 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Ms. Ashwini Deshpande (DIN: 00240443) who was appointed as an Additional Director (Non- Executive Independent) w.e.f. May 26, 2023, be and is hereby, appointed as an Independent Director of the Company, to hold office for a period of five consecutive years with effect from May 26, 2023, not 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."

#### 5. Re-appointment of Mr. Ravi Nigam (DIN: 00024577) as 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 Sections 149, 150, 152, 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 to the Companies Act, 2013, the approval of the Shareholders of the Company be and is hereby accorded for the re-appointment Mr. Ravi Nigam (DIN: 00024577) as an Independent Director of the Company for a second term of 5 (five) consecutive years effective March 29, 2024, not 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."

By order of the Board  
For **Indigo Paints Limited**

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

Place: Pune  
Date: June 29, 2023

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). 4 & 5 above and the relevant details of the Directors as mentioned under Item No(s).4 and 5 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 terms of Ministry of Corporate Affairs ("MCA") in continuation to previous Circular No. 20/2020 dated 5th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 21/2021 dated 14th December, 2021, Circular No. 3/2022 dated 5th May 2022, further extended the relaxation vide Circular No. 10/2022 dated 28th December, 2022 ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI") has also issued circular in continuation to previous Circulars dated 12th May, 2020, Circular dated 15th January, 2021, Circular dated 13th May, 2022 further extended the relaxation vide Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023 dated 5th January, 2023, 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. Central Depository Services Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM.
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 2022-23 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 2022-2023, is available on the website of the Company at [www.indigopaints.com/investors](http://www.indigopaints.com/investors), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Registrar and Transfer Agent (RTA) i.e. [www.linkintime.co.in](http://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](http://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 23rd 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 07, 2023. Members seeking to inspect such documents can send an email to [secretarial@indigopaints.com](mailto: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 26, 2023, has recommended a final dividend of ₹ 3.50 per share. The record date for the purpose of final dividend is July 29, 2023. The register of Members (Book Closure date) will be closed from July 30, 2023 to August 07, 2023. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before September 05, 2023 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 1<sup>st</sup> April, 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 Mr. Atul Mehta, 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 48 hours 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. [www.indigopaints.com/investors](http://www.indigopaints.com/investors) and on the website of Link Intime India Private Limited i.e. [www.linkintime.co.in](http://www.linkintime.co.in). The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
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 1<sup>st</sup> 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](mailto: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](mailto:info@mehta-mehta.com) with a copy to [umesh.sharma@linkintime.co.in](mailto:umesh.sharma@linkintime.co.in)
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 served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
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 Friday, July 28, 2023 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. The Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Record of Depositories as on Friday, July 07, 2023 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars.

#### THE INSTRUCTIONS 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 voting period begins on August 04, 2023 at 09.00 Hrs (IST) and ends on August 06, 2023 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 July 29, 2023 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 <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>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 &amp; 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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](http://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](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
Dividend Bank Details	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.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>

- (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](http://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](mailto: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](mailto: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 **2 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](mailto: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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

By order of the Board  
For **Indigo Paints Limited**

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

Place: Pune  
Date: June 29, 2023

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. 4: Appointment of Ms. Ashwini Deshpande (DIN: 00240443) as an Independent Director of the Company**

The Board of Directors of the Company at its meeting held on May 26, 2023, appointed Ms. Ashwini Deshpande (DIN: 00240443) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years with effect from May 26, 2023, 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 Ms. Ashwini Deshpande as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has received a declaration from Ms. Ashwini Deshpande confirming that she meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received the consent from Ms. Ashwini Deshpande (DIN: 00240443) 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.

In the opinion of the Board, Ms. Ashwini Deshpande fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her appointment as an Independent Director of the Company and she is independent of the management. Considering Ms. Ashwini Deshpande's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of five years with effect from May 26, 2023. A copy of the letter of appointment of Ms. Ashwini Deshpande 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 Ms. Ashwini Deshpande, 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 Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Except Ms. Ashwini Deshpande or her 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. 5: Re-appointment of Mr. Ravi Nigam (DIN: 00024577) as Independent Director of the Company**

Mr. Ravi Nigam is serving on the Board of the Company as an Independent Director for a term of 5 years w.e.f. March 28, 2019. Accordingly, the tenure of Mr. Ravi Nigam, as an Independent Director is due for renewal on March 28, 2024.

The Company has received the consent from Mr. Ravi Nigam (DIN: 00024577) 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. 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. Nigam during his tenure as an Independent Director, the Nomination and Remuneration Committee at its meeting held on May 25, 2023 has considered, approved and recommended the re-appointment of Mr. Ravi Nigam as an Independent Director for a second term of five consecutive years with effect from March 29, 2024, to the Board of Directors for their approval. The Board of Directors at its meeting held on May 26, 2023 has approved the proposal for reappointment of Mr. Ravi Nigam as an Independent Director for a second term of five consecutive years with effect from March 29, 2024.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Mr. Ravi Nigam 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.

## Annexure A

### Details of Director seeking appointment/ re-appointment in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

Name of the Director	Ms. Ashwini Deshpande	Mr. Ravi Nigam
Director Identification Number	00240443	00024577
Category	Additional Director (Non -Executive Independent)	Independent Director
Date of Birth	28/10/1966	06/01/1960
Age	56	62
Nationality	Indian	Indian
Date of First Appointment on the Board	26/05/2023	28/03/2019
Relationship with Directors and KMPs	NA	NA
Qualifications	Master Degree from National Institute of Design, Ahmedabad	Post Graduate Diploma in rural management from the Institute of Rural Management, Anand (IRMA). Owner President Management (OPM) Program from Harvard Business School (HBS)
Expertise in specific functional area.	<p>She has an experience of over 30 years as a Brand, Design &amp; Design Thinking expert with award-winning work in the fields of Foods, Personal Care, Automobile, Healthcare, Homecare, Fashion and Sports Leagues.</p> <p>She is also the Co-founder of Elephant Design, India's pioneering independent design consultancy with presence in India &amp; Singapore.</p> <p>She is also an Executive Member of The Design Alliance Asia consortium. She is also an active member of Association of Designers of India (ADI) &amp; charter member of The Indus Entrepreneurs (TiE)</p>	<p>He has vast experience in the Food and Agribusiness sectors. He is currently the President of The Indus Entrepreneurs Association (TiE), Pune Chapter. He is also currently serving as a Board Member on various companies. His rich experience as an entrepreneur has immensely helped the Company in the current term as an independent director.</p>
Details of Board Meetings attended by the director during the year	-	During the Financial Year 2022-23, 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	NIL	₹ 15,00,000/- received as sitting fees and Commission
Membership of Committees of Indigo Paints Limited	<ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination and Remuneration Committee</li> <li>3. Stakeholder Relationship Committee</li> </ol>	<ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination and Remuneration Committee</li> </ol>
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







**Indigo Paints Limited**

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