DRAFT RED HERRING PROSPECTUS
Dated November 11, 2020
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Offer

INDIGO
Be surprised!

INDIGO PAINTS LIMITED

Our Company was originally incorporated as 'Indigo Paints Private Limited' at Pune, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated March 28, 2000 issued by the Registrar of Companies, Maharashtra at Pune. Subsequently, our Company was converted into a public limited company and consequently the name of our Company was changed to 'Indigo Paints Limited' and a fresh certificate of incorporation dated August 20, 2020 was issued by the Registrar of Companies, Maharashtra at Pune. For details in relation to changes in the name and the registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 177.

Registered and Corporate Office: Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune 411 045, Maharashtra, India; **Tel**: +91 20 6681 4300; **Website**: www.indigopaints.com;
Contact Person: Sujoy Bose, Company Secretary and Compliance Officer; **E-mail**: secretarial@indigopaints.com;
Corporate Identity Number: U24114PN2000PLC014669

OUR PROMOTERS: HEMANT JALAN, ANITA JALAN, PARAG JALAN, KAMALA PRASAD JALAN, TARA DEVI JALAN AND HALOGEN CHEMICALS PRIVATE LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF INDIGO PAINTS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING TO ₹ 3,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 5,840,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO 2,005,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY SEQUOIA CAPITAL INDIA INVESTMENTS IV, 2,165,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY SCI INVESTMENTS V (COLLECTIVELY REFERRED TO AS THE "INVESTOR SELLING SHAREHOLDERS") AND UP TO 1,670,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY HEMANT JALAN (REFERRED TO AS, THE "PROMOTER SELLING SHAREHOLDER" AND TOGETHER WITH THE INVESTOR SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES THE "OFFERED SHARES").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITION OF [●], A MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50 % of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", the "**QIB Portion**"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" beginning on page 337.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price (determined by our Company and the Selling

Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" beginning on page 119) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 23.

ISSUER`S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the statements expressly made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements including *inter alia,* any statement made by or relating to our Company or the other Selling Shareholders or in relation to our Company's business.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 394.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
kotak® Investment Banking	Edelweiss Ideas create, values protect	ICICI Securities	LINKIntime
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC Plot No. 27, 'G' Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: indigopaints.ipo@kotak.com Website: www.investmentbank.kotak.com Investor Grievance ID: kmccredressal@kotak.com Contact Person: Ganesh Rane SEBI Registration Number: INM000008704	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off C.S.T. Road Kalina, Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: indigopaints.ipo@edelweissfin.com Website: www.edelweissfin.com Investor Grievance ID: customerservice.mb@edelweissfin.com Contact Person: Nikhil Joshi SEBI Registration Number: INM0000010650	**ICICI Securities Limited** ICICI Centre, H. T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: indigopaints.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person: Shekhar Asnani/ Rishi Tiwari SEBI Registration Number: INM00001117	**Link Intime India Private Limited** C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 E-mail: indigopaints.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance ID: indigopaints.ipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]

* *Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation framed from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Restated Financial Statements", "Basis for Offer Price", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" beginning on pages 127, 174, 122, 206, 119, 307, 337 and 353 respectively shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Indigo Paints Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered and corporate office at Indigo Towers, Street-5, Pallod Farm-2, Baner Road, Pune 411 045, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
Active Dealer	Dealers that have issued at least two invoices in two different months in the 12 preceding months and that have not been cancelled
"Articles of Association" or "AoA"	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in "*Our Management*" on pages 191-192
"Auditors" or "Statutory Auditors"	S R B C & CO LLP, the statutory auditors of our Company
"Board" or "Board of Directors"	Board of directors of our Company or a duly constituted committee thereof
Class A1 Equity Shares	Class A1 equity shares of ₹ 10 each of our Company having differential voting rights
Class A2 Equity Shares	Class A2 equity shares of ₹ 10 each of our Company having differential voting rights
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Sujoy Bose
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management*" on page 195
Director(s)	Directors on our Board
Equity Shares	Equity shares of face value of ₹10 each of our Company
ESOS 2014	Indigo Paints Private Limited – Employee Stock Option Scheme, 2014
ESOS 2019	Indigo Paints – Employee Stock Option Scheme, 2019
Executive Director	Executive director on our Board
Frost & Sullivan	Frost & Sullivan (India) Private Limited
Frost & Sullivan Report	Report titled "Independent Market Report for Paints Sector in India" dated November 9, 2020, issued by Frost & Sullivan
Halogen Chemicals	Halogen Chemicals Private Limited
Independent Directors	Independent directors on our Board
Investor Selling Shareholders	Collectively, Sequoia Capital India Investments IV and SCI Investments V
IPO Committee	IPO committee of our Board
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "*Our Management – Key Managerial Personnel*" on pages 197-199
Managing Director	Managing director of our Company, Hemant Jalan
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in "*Our Management*" on pages 193-194
Preference Shares	Collectively, the Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS

Term	Description
Promoters	The promoters of our Company, namely Hemant Jalan, Anita Jalan, Parag Jalan, Kamala Prasad Jalan, Tara Devi Jalan and Halogen Chemicals Private Limited. For details, see "*Our Promoters and Promoter Group*" on pages 200-201
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 203
Promoter Selling Shareholder	Hemant Jalan
Registered and Corporate Office	Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune 411 045, Maharashtra, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Pune
Restated Financial Statements	Restated financial statements of our Company as at and for the six months ended September 30, 2020 and September 30, 2019 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) comprise the restated summary statement of assets and liabilities as at September 30, 2020, September 30, 2019 and March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), the restated summary statements of profit and loss and the restated summary statement of cash flows for the six months ended September 30, 2020, September 30, 2019 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), together with the summary statement of significant accounting policies, and other explanatory information thereon derived from audited financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS 34 and audited financial statements as at and for the year ended March 31, 2020 prepared in accordance with Ind AS and audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 prepared in accordance with IGAAP and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Scheme of Amalgamation	Scheme of amalgamation pursuant to which Hi-Build Coatings Private Limited, a wholly owned subsidiary of our Company, was amalgamated into our Company pursuant to the order dated March 2, 2017 of the National Company Law Tribunal, Mumbai, sanctioning a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 (corresponding Sections 230 and 231 of the Companies Act, 2013). The appointed date was April 1, 2016 while the effective date was April 19, 2017
SCII V	SCI Investments V
Selling Shareholders	Collectively, the Promoter Selling Shareholder and the Investor Selling Shareholders
Sequoia IV	Sequoia Capital India Investments IV
Series A1 CCCPS	Series A1 fully and compulsorily convertible cumulative preference shares of face value of ₹ 100 each of our Company
Series A2 CCCPS	Series A2 fully and compulsorily convertible cumulative preference shares of face value of ₹ 100 each of our Company
Series B CCCPS	Series B fully and compulsorily convertible cumulative preference shares of face value of ₹ 100 each of our Company
Series C CCCPS	Series C fully and compulsorily convertible cumulative preference shares of face value of ₹ 10 each of our Company
"Shareholders' Agreement" or "SHA 2016"	Amended and restated shareholders' agreement dated February 8, 2016 entered into by and among our Company, Sequoia IV, SCII V and our Promoters
Shareholders	Shareholders of our Company from time to time
Shareholders' Amendment Agreement	Amendment agreement dated October 27, 2020 to the Shareholders' Agreement entered into by and among our Company, Sequoia IV, SCII V and our Promoters
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in "*Our Management*" on pages 194-195
SIPCOT	State Industries Promotion Corporation of Tamil Nadu Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million

Term	Description
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in "*Offer Procedure*" beginning on page 337
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation. Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English

Term	Description
	national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, Kotak Mahindra Capital Company Limited, Edelweiss Financial Services Limited and ICICI Securities Limited
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, Syndicate Members, the Bankers to the Offer and Registrar to the Offer, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion, Eligible Employees under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Offer Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and /or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated November 11, 2020 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer and includes any addenda or corrigenda thereto
Edelweiss	Edelweiss Financial Services Limited
Eligible Employee(s)	All or any of the following: (a) a permanent employee of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹ [●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Accounts will be opened, in this case being [●]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating to ₹ 3,000 million by our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular number CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI and updated pursuant to the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI circular number CIR/CFD/DIL/1/2016 dated January 1, 2016, the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, the SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2019, and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Managers
ICICI Securities	ICICI Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●], 2020 entered between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less than Employee Reservation Portion

Term	Description
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 90
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
"Non-Institutional Bidders" or "Non-Institutional Investors"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer	The initial public offer of Equity Shares comprising the Fresh Issue and the Offer for Sale. The Offer comprises the Net Offer and Employee Reservation Portion
Offer Agreement	Agreement dated November 11, 2020 entered amongst our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of 5,840,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and each of the Selling Shareholders, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 90
Offered Shares	Up to 5,840,000 Equity Shares aggregating to ₹ [●] million being offered by the Selling Shareholders in the Offer for Sale
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Bank	The bank with which the Public Offer Account(s) will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), on a proportionate basis, (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the Book Running Lead Managers), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made

Term	Description
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated November 9, 2020 entered by and amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by the Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	Together, the Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC

Term	Description
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 da ted July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
Working Day	All days on which commercial banks in Mumbai are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/Industry Related Terms or Abbreviations

Term	Description
Adjusted Gross Margin	Adjusted Gross Margin is calculated as revenue from operations less Adjusted Material Cost.
Adjusted Material Cost	Adjusted Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, excise duty on sale of goods, and freight and forwarding charges.
BARC	Broadcast Audience Research Council
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes ‘raised to’]
Capital Employed	Capital employed is calculated as total assets less current liabilities, plus borrowings under current liabilities, current maturities of long-term debts and lease liabilities under current liabilities
CWIP	Capital work-in-progress
Debt to Equity	Debt to equity is calculated as borrowings under non-current liabilities plus current maturities of long-term debts plus borrowings under current liabilities, divided by total equity.
DPL	Dealer Price List
EBITDA	EBITDA is calculated as restated profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
Gross Margin	Gross Margin is calculated as revenue from operations less Material Cost.
ISO	International Organization for Standardization
KLPA	Kilo liters per annum
Material Cost	Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, and excise duty on sale of goods.
Media Advertising Spend	Media advertising spend comprises payments incurred towards (i) the media agency engaged by us for securing advertisement slots from media channels, (ii) digital media activities; (iii) media houses, (iv) BARC, (v) provisions for other expenses, and (vi) media advertising expenses.
Metros	Area with a population above 2.5 million
MRP	Maximum Retail Price
MTPA	Metric tonnes per annum

Term	Description
Non-GAAP Measure(s)	Non-GAAP measures comprises EBIT, EBITDA, EBITDA Margin, Material Cost, Adjusted Material Cost, Gross Margin, Adjusted Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others. For a reconciliation of these Non-GAAP Measures, see "*Management's Discussion and Analysis of Financial Condition and Results Of Operations – Non-GAAP Measures*" on pages 287-290.
Other Operating Expenses	Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses.
PAT Margin	PAT Margin is calculated as restated profit for the year/ period divided by total income, represented as a percentage.
PPE	Property, plant and equipment
ROCE	Return on Capital Employed is calculated as EBIT divided by Capital Employed.
ROE	Return on equity is calculated as restated profit for the year/ period divided by total equity.
ROU	Right to use assets
Rural Area	Area with a population of less than 50,000
Tier 1 City	Area with a population between 1 million and 2.5 million
Tier 2 City	Area with a population between 500,000 and 1 million
Tier 3 City	Area with a population between 200,000 and 500,000
Tier 4 City	Area with a population between 50,000 and 200,000
Total Borrowings	Total borrowings is calculated as borrowings under non-current liabilities, plus current maturities of long-term debts, plus borrowings under current liabilities

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIFs	Alternative Investments Funds
AGM	Annual general meeting
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	Companies Act, 2013, along with the relevant rules framed thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules framed thereunder
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*formerly known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	The Foreign Exchange Management (Non Debt Instruments) Rules, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable

Term	Description
Financial Year/ Fiscal/Fiscal Year/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
GST	Goods and services tax
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
HUF	Hindu Undivided Family
HNI	High Net worth Individual
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A	Not applicable
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRE Account	Non-resident external rupee account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PAN	Permanent Account Number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933
U.S./USA/United States	United States of America
USD or US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable and all references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Financial Statements.

Restated financial statements of our Company as at and for the six months ended September 30, 2020 and September 30, 2019 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) comprise the restated summary statement of assets and liabilities as at September 30, 2020, September 30, 2019 and March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), the restated summary statements of profit and loss and the restated summary statement of cash flows for the six months ended September 30, 2020, September 30, 2019 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), together with the summary statement of significant accounting policies, and other explanatory information thereon derived from audited financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS 34 and audited financial statements as at and for the year ended March 31, 2020 prepared in accordance with Ind AS and audited financial statements as at for the years ended March 31, 2019 and March 31, 2018 prepared in accordance with IGAAP and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

For further information on our Company's financial information, see "*Restated Financial Statements*" beginning on page 206.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year and hence the financial information or restated financial statements prepared for the six months ended September 30 are not comparable to the financial information or the restated financial statements prepared for 12 months ended March 31.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition* ". The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" beginning on pages 23, 154 and 271, respectively, and elsewhere this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Certain Non-GAAP Measures and certain other statistical information relating to our operations and financial performance like EBIT, EBITDA, EBITDA Margin, Material Cost, Adjusted Material Cost, Gross Margin, Adjusted Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others, have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "lakh", "million" and "crores" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at				
	September 30, 2020	September 30, 2019	March 31, 2020	March 31, 2019*	March 31, 2018**
1 USD	73.80	70.69	75.39	69.17	65.04

Source: www.rbi.org.in and www.fbil.org.in
** Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.*
*** Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the Frost & Sullivan Report, which has been commissioned by our Company from Frost & Sullivan. For risks in relation to commissioned reports, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on pages 43-44.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by our Company, the Selling Shareholders, the Book Running Lead Managers, or any of their respective affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" beginning on page 119 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither our Company, the Selling Shareholders, nor the Book Running Lead Managers have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 23. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of Frost & Sullivan

This Draft Red Herring Prospectus contains data and statistics from certain reports and the Frost & Sullivan Report, which is subject to the following disclaimer:

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared the report in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that the report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, but it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in the report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the Offer, potential investors should conduct their own investigation and analysis of all facts and information contained in the offer documents in which extracts, in full or part, of the Report are included and must rely on their own examination of the Company and the terms of the Offer. Potential investors should not construe any of the contents of the Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Offer.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

Notice to Prospective Investors in the European Economic Area and the United Kingdom

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity shares in Member States of the European Economic Area ("**EEA**") (each a "**Member State**") or the United Kingdom ("**UK**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA or the UK of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company, any of the Selling Shareholders or any of the members of the BRLMs to produce a prospectus for such offer. None of our Company, the Selling Shareholders and the BRLMs have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) ("**Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward – looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- An inability to protect, strengthen and enhance our existing brand;
- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Engagement in a highly competitive business and a failure to effectively compete;
- Inability to identify or effectively respond to evolving preferences, expectations or trends in a timely manner, and a failure to derive the desired benefits from our product development efforts;
- Unanticipated delays in implementation and cost overruns of our proposed capacity expansion plans relating to our manufacturing facilities; and
- Our relationships with our dealers and the community of painters and our inability to enter into new relationships.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23, 154 and 271, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in this Draft Red Herring Prospectus, from the date of the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Offer and is not exhaustive. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Objects of the Offer*", "*Our Business*", "*Industry Overview*", "*Restated Financial Statements*", "*Outstanding Litigation and Material Developments*", "*Main Provisions of Articles of Association*" and "*Offer Procedure*" beginning on pages 23, 55, 71, 90, 154, 127, 206, 307, 363 and 337, respectively.

Summary of the business of our Company

We are engaged in the business of manufacturing paints and are the fastest growing amongst the top five paint companies in India. We are the fifth largest company in the Indian decorative paint industry in terms of our revenue from operations for Fiscal 2020 *(Source: F&S Report)*.

We have achieved this position in a highly competitive Indian decorative paint industry on the back of our multi-pronged approach. This includes introducing differentiated products to create a distinct market in the paint industry, building brand equity for our primary consumer brand, creating an extensive distribution network, and installing tinting machines across our dealer network.

Summary of the business of the industry in which our Company operates (*Source: F&S Report*)

The decorative paints segment represents around 74% of the overall paint market in India and includes wall finishes for interior and exterior use, enamels, wood finishes and ancillary products such as primers and putties. The decorative segment has grown at a CAGR of 11.5% from Fiscal 2014 to Fiscal 2019, driven by the increase in consumption of paints in Tier 2 – 4 Cities, that account for nearly half the total sales. The Indian decorative paints market is expected to grow at a CAGR of approximately 13% in terms of value and 10.2% in terms of volume through 2024.

Names of our Promoters

Our Promoters are Hemant Jalan, Anita Jalan, Parag Jalan, Kamala Prasad Jalan, Tara Devi Jalan and Halogen Chemicals.

Offer size

The following table summarizes the details of the Offer size:

Offer of Equity Shares(1)(2)(3)	Up to [●] Equity Shares aggregating to ₹ [●] million
of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares aggregating to ₹ 3,000 million
(ii) Offer for Sale(2)	Up to 5,840,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders
Employee Reservation Portion(4)	Up to [●] Equity Shares
Net Offer	Up to [●] Equity Shares aggregating to ₹ [●] million

(1) *The Fresh Issue has been authorised by our Board pursuant to resolution passed on September 29, 2020 and by our Shareholders pursuant to special resolution passed on October 7, 2020.*

(2) *Each Selling Shareholder (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 312.*

(3) *69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(4) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹ [●]), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 334.*

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Objects	Amount (in ₹ million)
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	1,500.00
Purchase of tinting machines and gyroshakers	500.00
Repayment/prepayment of all or certain of our borrowings	250.00
General corporate purposes(1)	[●]

Objects	Amount (in ₹ million)
Total	[●]

(1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

For further details, see "*Objects of the Offer*" beginning on page 90.

Aggregate pre-Offer shareholding of Promoters, Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of Promoters and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

a) Promoters

Name of Promoter	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
Hemant Jalan	10,237,500	35.27
Anita Jalan	6,987,500	24.08
Parag Jalan	1,625,000	5.60
Kamala Prasad Jalan	1,657,500	5.71
Tara Devi Jalan	1,891,045	6.52
Halogen Chemicals	4,958,070	17.08
Total	**27,356,615**	**94.26**

None of the members of our Promoter Group hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

b) Selling Shareholders

Name of Selling Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
Sequoia IV*	963,110	3.32
SCII V*	702,450	2.42
Hemant Jalan	10,237,500	35.27
Total	**11,903,060**	**41.01**

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

Summary of Restated Financial Statements

The following details of our Equity share capital, total Equity, net asset value per Equity Share and total borrowings as at September 30, 2020 and September 30, 2019 and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) and total revenue from operations, profit after tax and earnings per Equity Share (basic and diluted) for six months ended September 30, 2020 and September 30, 2019 and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) are derived from the Restated Financial Statements:

(*in ₹ million*)

Particulars	As at and for the six months ended September 30, 2020	As at and for the six months ended September 30, 2019	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019	As at and for the Financial Year ended March 31, 2018 (Proforma)
Equity Share capital	290.21	290.21	290.21	288.51	285.93
Instruments in the nature of equity(1)	183.04	183.04	183.04	183.04	183.04
Total equity(2)	2,243.73	1,552.71	1,970.53	1,474.63	1,274.61
Total income	2,602.43	2,733.97	6,264.36	5,372.62	4,031.05
Restated profit for the year/ period	272.05	59.94	478.15	268.70	128.62
Basic and diluted earning per share (₹ / share)					
- Basic (in ₹)	6.03#	1.33#	10.61	5.98	2.88
- Diluted (in ₹)	5.97#	1.32#	10.49	5.90	2.82
Net Asset Value per Equity Share (basic) (in ₹)(3)	49.75#	34.45#	43.69	32.84	28.53

Particulars	As at and for the six months ended September 30, 2020	As at and for the six months ended September 30, 2019	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019	As at and for the Financial Year ended March 31, 2018 (Proforma)
Net Asset Value per Equity Share (diluted) (in ₹)[(4)]	49.20[#]	34.08[#]	43.23	32.39	27.98
Total Borrowings (as per balance sheet)	301.34	632.53	500.70	601.26	358.29

[#] Not annualised

[(1)] Instruments in the nature of equity represents the sum total of the equity component of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS and Series C CCCPS in accordance with Ind AS 32.

[(2)] Total Equity is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account.

[(3)] For the purpose of calculation of basic restated net asset value the total number of shares for outstanding as at March 31, 2020, March 31, 2019, March 31, 2018, September 30, 2020 and September 30, 2019 represents the aggregate of equity shares and 0.001% compulsory convertible cumulative preference shares (CCCPS) as at the end of respective period.

[(4)]For the purpose of calculation of diluted restated net asset value the total number of shares considered for calculation of basic net asset value is adjusted with the outstanding employee stock options as the respective period/year end.

Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Statements

The Restated Financial Statements do not contain any qualifications by the Statutory Auditors.

Summary of outstanding litigation and material developments

A summary of outstanding litigation proceedings involving our Company, as on the date of this Draft Red Herring Prospectus, is provided below:

Nature of Cases	Number of outstanding cases	Amount involved (in ₹ million)*
Litigation filed against our Company		
Actions by regulatory or statutory authorities	1	2.28*
Indirect tax matters	9	310.46*
Direct tax matters	3	2.82*
Criminal proceedings	Nil	Nil
Matters above the materiality threshold of ₹ 4.78 million	7	309.80*
Litigation filed by our Company		
Actions by regulatory or statutory authorities	Nil	Nil
Indirect tax matters	Nil	Nil
Direct tax matters	Nil	Nil
Criminal proceedings	98	19.52
Matters above the materiality threshold of ₹ 4.78 million	Nil	Nil

** To the extent quantifiable, excluding interest and penalty thereon.*

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 307.

Risk Factors

Specific attention of the Investors is invited to the section "*Risk Factors"* beginning on page 23 to have an informed view before making an investment decision.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 as at September 30, 2020 are set forth in the table below:

(*in ₹ million*)

S. No.	Particulars	Contingent Liabilities as at September 30, 2020
1.	Sales tax - C forms	0.30

S. No.	Particulars	Contingent Liabilities as at September 30, 2020
2.	Value added tax	301.11
3.	Income tax matters	2.82
4.	Excise and service tax related matters	9.35
5.	Building tax	2.28
	Total*	**315.86**

**excluding interest and penalty thereon.*

For further details of our contingent liabilities as per Ind AS 37 – Provision, Contingent Liabilities and Contingent Assets, see "*Restated Financial Statements* - *Annexure VII – Notes to Restated Ind AS Summary Statement – Note 31*" on page 253.

Summary of related party transactions

A summary of related party transactions as per the requirements under Ind AS 24 entered into by our Company with related parties as at and for the six months ended September 30, 2020 and September 30, 2019 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma) are as follows:

(*in ₹ million*)

Particulars	As at and for the six months ended September 30		As at and for the Financial Year ended March 31		
	2020	2019	2020	2019	2018 (Proforma)
Transactions during the period / year					
(i) Purchase of goods					
Halogen Chemicals Private Limited	-	-	-	0.36	2.16
(ii) Lease rentals paid	-	-	-	-	
Halogen Chemicals Private Limited	-	-	-	0.08	0.03
(iii) Remuneration paid					
Salary allowances and bonus *					
Hemant Jalan	6.30	4.50	9.00	7.20	6.00
Anita Jalan	0.30	0.30	0.60	0.60	0.60
Narayanan Kutty Kottiedath Venugopal	4.35	3.45	6.90	7.89	6.54
Vinay Menon	1.22	1.21	2.20	2.15	2.20
Sujoy Bose	0.35	0.29	0.54	0.48	0.06
Chetan Bhalchandra Humane	1.62	-	0.13	-	-
Directors sitting fees & commission					
Sunil Goyal	0.20	-	-	-	-
Praveen Kumar Tripathi	0.20	-	-	-	-
Ravi Nigam	0.20	-	-	-	-
Nupur Garg	0.50	-	-	-	-
Closing balance					
(i) Trade payable and other liabilities					
Halogen Chemicals Private Limited	-	-	-	-	0.03
(ii) Remuneration payable					
Hemant Jalan	0.79	0.52	0.75	0.42	0.33
Anita Jalan	0.05	0.05	0.05	0.05	0.05
Narayanan Kutty Kottiedath Venugopal	0.50	0.58	0.58	0.33	0.29
Vinay Menon	0.15	0.30	0.18	0.12	0.11
Sujoy Bose	0.05	0.07	0.05	0.04	0.03
Chetan Bhalchandra Humane	0.18	-	0.21	-	-
Directors sitting fees & commission payable					
Sunil Goyal	0.09	-	-	-	-
Praveen Kumar Tripathi	0.09	-	-	-	-
Ravi Nigam	0.09	-	-	-	-
Nupur Garg	0.23	-	-	-	-

** The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.*
** Above excludes employee stock option perquisites.*

For details of the related party transaction, see "*Other Financial Information – Related Party Transactions*" on page 266.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders, in the last one year

Our Promoters and the Selling Shareholders have not acquired any Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition of Equity Shares

The average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders based on the Equity Shares held as on the date of this Draft Red Herring Prospectus are as set forth in the table below:

a) Promoters

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Promoters		
Hemant Jalan	10,237,500	0.15
Anita Jalan	6,987,500	0.15
Parag Jalan	1,625,000	0.15
Kamala Prasad Jalan	1,657,500	0.15
Tara Devi Jalan	1,891,045	0.15
Halogen Chemicals	4,958,070	0.15

* *As certified by M/s Komandoor & Co LLP, Chartered Accountants, by way of their certificate dated November 10, 2020.*

b) Selling Shareholders

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Sequoia IV#	963,110	141.37
SCII V#	702,450	210.24
Hemant Jalan	10,237,500	0.15

* *As certified by M/s Komandoor & Co LLP, Chartered Accountants, by way of their certificate dated November 10, 2020.*

#69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

Offer of Equity Shares for consideration other than cash in the last one year

No Equity Shares were issued for consideration other than cash in the last one year.

Split or Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Statements" beginning on pages 154, 127, 271 and 206, respectively, as well as the other financial and statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 17.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 206. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company", or "the Company" refers to Indigo Paints Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Independent Market Report for Paints Sector in India" dated November 9, 2020 (the "**F&S Report**") prepared and issued by Frost & Sullivan India Private Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

RISKS RELATING TO OUR BUSINESS

1. ***An inability to protect, strengthen and enhance our existing brand could adversely affect our business prospects and financial performance.***

   Our business reputation and the "*Indigo*" brand under which we sell products are critical to the success of our business. While we have been making consistent efforts to strengthen the "*Indigo*" brand, various factors, some of which are beyond our control, are critical for maintaining and enhancing our brand, and if not managed properly, may negatively affect our brand and reputation. These include our ability to effectively manage the quality of our products; increase brand awareness among existing and potential dealers and end-customers; adapt our advertising and promotion efforts to emerging industry standards; and protect the intellectual property related to our brand. Also see "*– We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our brand "Indigo" or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.*" on page 33.

   Our success in marketing our existing and new products depends on our ability to adapt to a rapidly changing marketing and media environment, including our increasing reliance on direct promotional initiatives, advertising through television and newspaper advertisements in key geographies, and the evolving trend of digital marketing through social media and other alternate channels. Our advertisement and sales promotion expenses in Fiscal 2018, 2019 and 2020 has been relatively high and represented 11.22%, 12.63%, and 12.65% of our revenue from operations in such years, respectively. The advertising and promotion spends as a percentage of revenue from operations of the top four paint companies was in the range of 3.8% to 5.8% in Fiscal 2018, 3.1% to 5.0% in Fiscal 2019, and 3.3% to 5.0% in Fiscal 2020 (*Source: F&S Report*). There can be no assurance that our advertising or marketing efforts will be successful in maintaining our brand and its perception with dealers and/ or result in increased sales in the future. Also, we may not necessarily increase or maintain our advertisement and sales promotion spends in proportion to our growth in the future, which may result in limited marketing initiatives. Our inability to adapt to evolving marketing trends at the same pace as our competitors may adversely affect our ability to effectively compete in terms of our brand equity.

Negative publicity regarding the brand ambassadors we engage to represent our brand could also adversely affect our brand and consequently the sale of our products. In addition, we are typically required to indemnify our brand ambassador for any and all claims (including third party claims), lawsuits, actions, damages, and liabilities against them arising from our advertising, product or endorsement materials and marketing or promotional schemes. We may also be exposed to any alleged claims relating to any misrepresentation in our advertisement and promotional materials as well as cost of any legal proceedings with respect thereto.

Our brand could also be negatively impacted if we fail to maintain our established standards of service, or if our products fail to meet the expectation of our dealers and painters that distribute and use our products. Any allegations of deterioration in product quality even when false or unfounded, could tarnish the image of our brand and may cause our dealers, painters and end-customers to choose other competing products. Any negative publicity regarding us, our brand, our products or the paint industry generally could adversely affect our reputation and our results of operations. In addition, counterfeit products, product defects, and ineffective promotional activities are all potential threats to the image and potency of our brand. Our failure to develop, maintain and enhance our brand may result in decreased revenue and loss of customers, and in turn adversely affect our reputation, business, financial condition, results of operations, and cash flows.

2. ***The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.***

The World Health Organization declared the novel coronavirus disease ("**COVID-19**") outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally, which are highly uncertain and cannot be predicted. There is currently substantial medical uncertainty regarding COVID-19 and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe.

On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown on March 24, 2020. While progressive relaxations have since been granted for movement of goods and people and cautious re-opening of businesses and offices, lockdowns may be re-introduced in the future. On account of the nationwide lockdown, operations at all of our manufacturing facilities were suspended. This resulted in a decrease in sale of our products particularly during the months of March 2020 and April 2020 on account of government restrictions imposed and additionally on account of cost control measures implemented by our dealers and end-customers. We also experienced disruptions in supply chain and inventory management, as well as delays in orders and payments. In particular, some of our purchase orders were cancelled and/ or deferred by our dealers. While we restarted manufacturing operations at all of our manufacturing facilities with the progressive relaxation of the lockdown in May 2020, we are required to implement additional safety measures, such as, regular temperature checks, regular sanitization, and compulsory use of masks and hand sanitization, and limited workforce. We have monitored and considered the impact of known events arising from the COVID-19 pandemic including with respect to our liquidity and going concern, recoverable values of property, plant and equipment, intangible assets and the net realisable value of other assets, and will continue to closely monitor the impact that COVID-19 may have on our business, financial condition, liquidity and results of operations. Adverse effects of the COVID-19 pandemic may also significantly increase the effect of the aforementioned factors affecting our results of operations.

The impact of the pandemic on our business, operations and future financial performance has included and may include the following:

- temporary shutdown of our manufacturing facilities or sales depots due to government restrictions;
- decrease in sales of our products, particularly in the first half of Fiscal 2021 including on account of cost control measures implemented by our dealers and/ or end-customers;

- inability to utilize our workforce including because of travel or government restrictions, such as stay at home orders, or illness of our employees due to COVID-19 and associated quarantining requirements, which resulted in a slowdown in our operations;
- disruptions to our supply chain in terms of raw material sourcing due to temporary closure of the facilities of suppliers, and delivery of finished products due to transportation restrictions;
- delays or indefinite postponement in the future of our proposed expansion plans/ product development activities;
- delays in orders or delivery of orders, and if prolonged may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from dealers due to deterioration in liquidity, including financial distress experienced by dealers;
- inability in the future to access debt and equity capital on acceptable terms, or at all;
- inability in the future to comply with the covenants in our credit facilities and other financing agreements, which could result in events of default and the acceleration of repayment; and
- potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by COVID-19, resulting in a deterioration in our ability to ensure business continuity during this disruption.

Any resulting financial impact due to the above cannot be reasonably estimated at this time. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our dealers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection or coverage for any costs that may arise from all such possible events. In addition, our Statutory Auditors have included certain matters of emphasis with respect to the impact of COVID-19 on our operations, in the audit reports issued on our audited financial statements for Fiscal 2020 and the six months ended September 30, 2020. For further information, see "*Management's Discussion and Analysis on the Financial Conditions and Results of Operations - Auditor's Observations*" on page 304.

Further, we generate almost all of our revenue in India. The effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

3. ***We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.***

The Indian decorative paint industry has historically been dominated by four major entities that had an aggregate market share of 65% in 2019, as the industry presents significant entry barriers (*Source: F&S Report*). These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance (*Source: F&S Report*). We compete on the basis of the strength of our differentiated products, distribution network, brand recognition, and ability to populate tinting machines. As a result, to remain competitive in our markets, we must continuously strive to manufacture differentiated products, expand our distribution network, enhance our brand and improve our operating efficiencies.

The organized market accounts for the top 10 to 12 players, with an aggregate market share of 77% of the decorative market share (*Source: F&S Report*). The remaining 23% comprises many small, mainly regional or local players (*Source: F&S Report*). Our competitors therefore also include companies that have established their presence in specific regions as part of their strategy, particularly in the southern region of India (*Source: F&S Report*). These competitors may limit our opportunity to increase our market share as a result of a stronger dealer network in such regions and population of tinting machines at these locations, and may also compete with us on pricing of products. We may also face competition from new entrants in the market, who may be leveraging the goodwill generated from their other businesses to gain market share in the decorative paint industry. Similarly, consolidation in the Indian paint industry and an increase in the number of larger competitors may also adversely affect our results of operations. As paint manufacturers consolidate and become larger, they gain access to a larger base of dealers, painters, tinting machines, resulting in greater competition, which may lead to lower margins and adversely affect our results of operations.

Some of our competitors may have larger business operations, may be diversified with operations across India, may have greater financial resources than we do, may have access to a cheaper cost of capital and may be able to produce paint more efficiently or invest larger amounts of capital into their businesses in terms of strengthening their brands, expanding their distribution networks and expending greater resources to populate tinting machines. Our business could be adversely affected if we are unable to compete with our competitors and sell paint at competitive prices. For example, if any of our competitors strengthens their brand and caters to the markets we are present in through differentiated products, our business and results of operations could be adversely impacted. Our competitors may also introduce new and more competitive products and strengthen their supply chain management, make strategic acquisitions or establish relationships among themselves or with third parties, including painters/ dealers of our products, thereby increasing their ability to address the needs of our target customers. An inability to effectively compete in terms of branding, providing competitive and differentiated products or services or expand into new markets, could have a material negative effect on our business, financial condition and growth prospects.

4. ***We may not be able to identify or effectively respond to evolving preferences, expectations or trends in a timely manner, and a failure to derive the desired benefits from our product development efforts may impact our competitiveness and profitability.***

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and preferences, customer expectations, needs and demands, and develop new/ differentiated products to meet these requirements. The environment for retail in relation to home improvement is rapidly evolving, and aligning our business to respond to evolving preferences for decorative paints is critical to our future success. Our success is also dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and end-customer preferences in a variety of our paint categories.

We cannot assure you that our future product development initiatives will be successful or be completed within the anticipated period or budget, or that our newly developed or improvised products will achieve wide market acceptance from our dealers. For instance, we have in the past expended resources in developing and launching some differentiated products that did not perform as expected once launched, or that we failed to launch altogether. Even if these products have been successfully developed, there is no guarantee that they will be accepted by our dealers and achieve anticipated sales targets in a profitable manner, which may affect our ability to grow our network of dealers and gain market share. In addition, there can be no guarantee that the time and effort that we spend in developing these products would be beneficial to our Company. This could also adversely affect our ability to pursue our growth strategy of continuing to develop niche and differentiated products to grow our market share. Further, we cannot assure you that our existing or potential competitors will not develop products that are similar or superior to our products. It is often difficult to estimate the time to market new products and there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we fail in our product launching efforts, our business, prospects, financial condition, results of operations, and cash flows may be materially and adversely affected.

Further, as we continue to grow our business by expanding our products, brand offerings and our geographic reach, maintaining quality and consistency may be more difficult and there can be no assurance that the dealers' confidence in our brand will not diminish. Failure or any delay on our part to identify such trends, to align our business successfully and maintain quality could negatively affect our brand image, our relationship with our dealers, the rate of growth of our business, our market share and our prospects.

5. ***Our ability to grow our business depends on our relationships with our dealers and the community of painters, and any adverse changes in these relationships, or our inability to enter into new relationships, could negatively affect our business and results of operations.***

Our business is dependent on the decisions and actions of our dealers which is determined by our ability to maintain and strengthen our relationships and arrangements with existing dealers as well as our ability to establish and maintain relationships with new dealers. In addition, as dealers and end-customers are also influenced by painter contractors and individual painters, our business is also dependent on the relationships we share with the community of painters. As of March 31, 2020 and September 30, 2020, we distributed our products to a network of 11,230 and 10,988 Active Dealers, respectively. Our relationship with our dealers and painters is dependent to a large extent on our ability to regularly meet their requirements, including by introducing differentiated products with greater marketability, price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected dealers or painters. In addition, failure to provide dealers with sufficient inventories of our products may result in lesser sales of our products compared to the demand. There are also a number of factors relating to our dealers and painters beyond our control that might result in the termination of our arrangement or the loss of a dealer or painter relationship, including change in preferences of our dealers or painters as well as a demand for price reductions. Further, the deterioration of the financial condition or business prospects of these dealers could affect their ability to maintain inventory and thus reduce demand for our products and could result in a significant decline in the revenues we derive from such dealers. Adverse changes in our relationships with our dealers and painters, or the inability to develop new products for existing dealers or painters or to successfully establish relationships with new dealers or painters, could therefore limit our business prospects, which could adversely affect our financial performance. Also see " – *We are in the process of expanding our operations and establishing a network of dealers in regions where we do not have a* *significant presence and prior experience. Any failure to expand into these new regions could adversely affect our sales, financial condition, result of operations, and cash flows.*" on page 31.

We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor freight forwarding of our products, transportation bottlenecks, natural disasters, infectious disease outbreaks such as the COVID-19 pandemic and labour issues, which could lead to deliveries being delayed or lost, resulting in insufficient inventories at dealer outlets. If we fail to deliver products to dealers in a timely manner, or if our dealers fail to adhere to the terms of our arrangements, our business and results of operations may be adversely affected.

6. We do not enter into long-term arrangements with our dealers and any failure to continue our existing arrangements could negatively affect our business and results of operations.

We sell all our products through our dealer network. We presently do not have any long-term or exclusive arrangements with any of our dealers and we cannot assure you that we will be able to sell the quantities we have historically supplied to such dealers. Our dealers are typically multi-brand and also distribute products of our competitors. In the event our competitors' products offer better margins to such dealers or otherwise incentivizes them, there can be no assurance that our dealers will continue to promote our products or place orders with us. Most of our transactions with our dealers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our dealers will renew their arrangements with us on current or similar terms, or at all. Further, our dealers could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. While we negotiate product prices and payment terms with our dealers, in the event our dealers alter their requirements, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows. In addition, our dealers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. Termination of any of the above mentioned arrangements or frequent cancellation of purchase orders could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Further, in the event our dealers experience any delays in placing orders with us, do not effectively market our products, or if they prefer to market the products of our competitors, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows. Our inability to maintain our existing distribution network could have a material adverse effect on our sales, business growth and prospects, results of operation, financial condition, and cash flows. Further, the performance of our dealers, their sales network and their ability to expand their businesses are crucial to the future growth of our business and directly affect our sales volume and profitability. If any of the dealers fails to distribute our products in a timely manner, or at all, or if our relationships with dealers are adversely affected, our profitability could be materially and adversely affected.

7. Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.

We have made and intend to continue making investments to expand the capacity of our manufacturing facilities to aid our growth efforts and consolidate our pan-India presence. We intend to use a part of the Net Proceeds towards expansion of our existing manufacturing facility at our Pudukkottai Facility in Tamil Nadu by setting-up an additional unit. For further information, see "*Our Business – Proposed Expansion Plans*" and "*Objects of the Offer*" on pages 167 and 91-112.

Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The proposed expansion by setting up an additional unit will require us to obtain various approvals, which are routine in nature. We have filed applications for seeking: (i) consent to establish with the Tamil Nadu Pollution Control Board; (ii) in-principle approval of site plan and building with the village panchayat, Tamil Nadu; (iii) in-principle approval to construct, extend or take into use any building as a factory and approval of drawings for the proposed expansion with the Joint Director of Industrial Safety and Health, Thanjavur and Director of Industrial Safety and Health, Chennai; (iv) in-principle approval of building layout and fire-fighting system with the District Fire Officer, fire department, Tamil Nadu and (v) in-principle approval of building layout with the Directorate of Town and Country Planning, Tamil Nadu. In addition to such pending approvals, we will also need to apply for certain additional approvals required for the proposed expansion. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

8. ***We are required to obtain, renew or maintain certain statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all and our business, financial conditions, results of operations, and cash flows may be adversely affected.***

Our operations are subject to extensive government regulations and we are required to obtain and maintain several permits and approvals under central, state and local government rules for operating our business generally, for each of our manufacturing facilities and depots. We are also required to obtain consent to establish and operate from the state pollution control boards (where our manufacturing facilities are located), registration and licenses issued under the Factories Act, 1948 for various manufacturing facilities, fire safety licenses from municipal fire safety authorities, registration certificates issued under various labour laws, including contract labour registration certificates licenses, shops and establishment related licenses, as well as various direct and indirect taxation related registrations as may be applicable. Further, we also hold the Importer Exporter Code issued by the Ministry of Commerce & Industry, Government of India, to enable us to export our products to Bhutan. For further information on approvals relating to our business and operations, see "*Government and other Approvals*" beginning on page 310. Certain of these approvals, particularly for our depots, are granted for a limited duration, and are required to be renewed or extended from time to time upon expiry. Due to COVID-19, several approvals that have expired in the ordinary course or have been applied for have not been renewed or grant of such approvals has been delayed. For instance, we filed an application for obtaining the fire no-objection certificate with the relevant authority for our manufacturing facilities in Jodhpur in the month of January 2020, and the application is still pending. For further information on pending approvals, see "*Government and Other Approvals*" on pages 310-311. While we usually apply for the renewal of approvals in a timely manner, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by us are subject to numerous conditions including, among others, limitation on discharge of effluents and hazardous wastes, quantum of raw materials to be used, and consumption of water. Further, in some cases, consent of relevant authorities is required in case there is any modification/ alteration/ change in product mix. The conditions and the obligation to renew the approval or license at regular intervals are also prescribed in such approvals and licenses. We cannot assure you that these would not be suspended or revoked in the event of accidental non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, financial conditions, results of operations, and cash flows.

9. ***A significant portion of our sales are derived from the state of Kerala and any adverse developments in this market could adversely affect our business.***

We have historically derived a significant portion of our revenue from sales in the state of Kerala. In Fiscal 2020 revenue generated from sales in the state of Kerala represented 34.56% of our revenue from operations. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the state or local government in this region could adversely affect our manufacturing and distribution activities, result in modification of our business strategy, or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. For instance, there were floods in the state of Kerala in 2018 and 2019, as a result of which our sales were impacted. The occurrence of any such events is likely to adversely affect our operations and could result in significant loss due to an inability to meet production and delivery schedules, which could materially affect our business reputation within the industry. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations, financial condition, and cash flows. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

10. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

    Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution. Our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Offer*" beginning on page 90.

11. ***We do not have long-term agreements with our suppliers for raw materials, and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations, financial condition, and cash flows.***

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include acrylic binders, packaging tins, pigments, alkyd resins and additives. Other raw materials include white cement, minerals including lime, dolomite, calcite, china clay and talcum, and turpentine oil. For further information, see "*Our Business – Procurement of Raw Materials*" on page 167. We depend on external suppliers for all the raw materials required and typically purchase raw materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. We also import a certain amount of minerals from Vietnam. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins. See "*- Restrictions on import of raw materials may adversely impact our business and results of operations*" on pages 38-39. If we cannot fully offset increases in raw material prices with increases in the prices for our products, we will experience lower margins, which will have a material adverse effect on our results of operations, financial condition, and cash flows. In the absence of such contracts we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner or at all.

Although we have not faced significant disruptions in the procurement of raw materials in the past, the COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us. There can be no assurance that we will procure the required quantities and quality of raw materials commensurate with our requirements. In Fiscals 2018, 2019 and 2020, the cost of raw materials and components consumed represented 55.20%, 55.36%, 51.40%, respectively, of our revenue from operations. In the six months ended September 30, 2019 and 2020, the cost of raw materials and components consumed represented 55.38% and 47.73%, respectively, of our revenue from operations. There can be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to dealers in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, as a result of delayed raw material supply, could result in the dealer refusing to accept our products, which could have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

Further, as we generally have short-term arrangements for supply of our products to dealers, we rely on historical trends and other indicators to purchase the required quantities of raw materials. We, therefore, run the risk of purchasing more raw materials than necessary, which could expose us to risks associated with prolonged storage of some of these materials, and materially affect our results of operations. Conversely, if our dealers place orders for greater quantities of products compared to their historical requirements, we may not be able to adequately source the necessary raw materials in a timely manner, and may not have the required available manufacturing capacity to meet such demand. In addition, if all or a significant number of our suppliers for any particular raw material are unable or unwilling to meet our requirements or our estimates fall short of the demand, we could suffer shortages or significant cost increases. Continued supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our dealers in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

12. ***Any unscheduled or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, results of operations, and cash flows.***

Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The occurrence of any such incidents could also result in a destruction of certain assets, and adversely affect our results of operations. For instance, there was a fire at the quality control laboratory at our Kochi Facility in Fiscal 2018, during which certain assets were destroyed, and the loss of such assets was accounted for as an exceptional item in our financial statements for Fiscal 2018. For further information on exceptional items as per Ind AS 8, see "*Restated Financial Statements – Annexure VII – Note 39*" on page 263. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. In particular, due to the COVID-19 pandemic, operations at all of our manufacturing facilities were temporary suspended in the months of March 2020 and April 2020 owing to the lockdown imposed by the Government, and we subsequently resumed operations in a phased manner in May 2020. Our dealers rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our dealer relationships, business, financial condition, results of operations, and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

Disruptions in our manufacturing operations could delay production or require us to temporarily cease operations at our manufacturing facilities. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to make alternate arrangements for supplies and products in order to meet our production requirements, which could affect our profitability.

13. ***We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products.***

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our depots and further to our dealers, which are subject to various uncertainties and risks. We use third-party freight and transportation providers for the delivery of our products to dealers. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers and suppliers. Further, on account of the COVID-19 pandemic, our manufacturing operations were shutdown and our third-party transportation providers' operations were also closed during the lockdown imposed by the Government in end of March 2020 through April 2020.

In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. In the event we fail to maintain a sufficient volume of raw materials and delivery of such materials to us is delayed, we may be unable to meet dealer orders in a timely manner or at all, which could result in the dealer's inability to meet end-customer orders. Any such inability may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations, and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected dealers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. Our freight and forwarding charges were ₹ 442.74 million, ₹ 554.95 million and ₹ 657.70 million in Fiscal 2018, 2019 and 2020 respectively, and represented 11.03%, 10.36%, and 10.53% of our revenue from operations in such years, respectively. Our freight and forwarding charges were ₹ 303.28 million and ₹ 277.19 million in the six months ended September 30, 2019 and 2020 respectively, and represented 11.12% and 10.68% of our revenue from operations in such periods, respectively. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

14. ***An inability to increase the number of tinting machines placed by us with our dealers may adversely affect our business, prospects, results of operations, financial condition and cash flows.***

In order to continue to increase sales of our emulsion paints and to keep up with current trends, we intend to focus on populating our tinting machines across our network of dealers. This involves strengthening our relationship with dealers and carrying out promotional activities for installing our tinting machines.

We have entered into a long-term arrangement with the manufacturer of our tinting machines until March 31, 2024 with effect from October 26, 2020, according to the terms of which we have committed to purchase a minimum number of machines during such term. In addition, the manufacturer has contractually limited and disclaimed its liability towards the tinting machines on the occurrence of certain events specified therein including if the machine is directly or indirectly opened, altered, or tampered with, or if an action has been carried out that will intrude in the operations of the system and result in any modification in the configuration of the system, in the absence of the manufacturer. Other limitations on liability include a limited scope of warranty to cover parts with manufacturing defects only, and absence of warranty cover for all electrical components.

We cannot assure you that we will be able to successfully increase the population of our tinting machines despite incurring expenses towards promotional activities and brand building initiatives, which may have an adverse effect on our business, financial condition, results of operations, and cash flows. In the event, we decide to discontinue purchasing the tinting machines from the manufacturer, we will be required to compensate the manufacturer with a fee equivalent to the manufacturer's price towards inventory of components including the front panel which has been custom designed for us, TAB, keyboard, mouse and USB hub with cabling. Even if we purchase the minimum quantity stipulated, and are subsequently unable to place these machines at dealer outlets, we may have to write-off these purchases and incur additional expenses towards maintaining the surplus machines at our own cost, which could adversely affect our results of operations, financial condition, and cash flows. This could also adversely affect our ability to pursue our growth strategy of increasing the population of our tinting machines. In addition, even if we are able to increase the population of our tinting machines, there can be no assurance that dealers will not uninstall such machines or that there will be a corresponding increase in sales of our emulsion paints. For instance, there have been certain instances in the past where we have been forced to uninstall a tinting machine from a dealer location due to non-performance of the dealer or cessation of a dealer engagement. While we have been able to subsequently reinstall these tinting machines at alternate dealer locations, we cannot assure you that we will be able to do so in the future, and a tinting machine that has been installed at a dealer outlet that has subsequently ceased operations, may become inoperative. In the event we are unable to successfully install tinting machines at our dealer networks or our machines are uninstalled or if sales of emulsion paints do not increase in line with our expectations, our business, prospects, results of operation, financial condition and cash flows may be adversely affected.

In addition, tinting machines require a specific colourant in the absence of which the machine cannot be used. As the colourant is manufactured by select companies in India, there can be no assurance that there will be adequate supply of such colourant to our dealer network at all times. In the event of any prolonged supply disruption of the colourant that inventory levels are unable to cover, our dealers will not be able to use our tinting machines thereby rendering them inoperative, and adversely affecting our results of operations, financial condition, and cash flows.

15. ***We are in the process of expanding our operations and establishing a network of dealers in regions where we do not have a significant presence and prior experience. Any failure to expand into these new regions could adversely affect our sales, financial condition, result of operations, and cash flows.***

In order to cater to the growing market demand for our products and expand our presence across India, we are in the process of deepening our presence in states that we have recently entered, and expanding our presence to Tier 1 and 2 Cities and Metros in states where we have been present for a considerable period. We may not possess the same level of familiarity with the economic condition, dealer network, end-customer base and commercial operations in the new regions we propose to enter into and therefore, we will be initially exposed to a degree of risk in realization and volume of sales. There can be no assurance that our expansion plans in these new regions will be successful, as our competitors may have more established brands, more experience in trends and deeper relationships with dealers in these regions. Further, having limited or no presence in such new regions as compared to some of our competitors, may lead to lower product pricing due to lack of brand presence and higher expenditure on brand building. As a result, it may be more expensive for us to manufacture and/ or distribute decorative paint products in these new regions and it may take longer to reach expected sales and profit levels than anticipated, which could affect the viability of these operations or our overall profitability. There can be no assurance that our products will gain market acceptance or meet the particular requirements of dealers and customers in these new markets and regions. If we do not successfully establish our operations, reputation and brand image in this these new markets and regions, our sales, financial condition, results of operations, and cash flows could be materially and adversely affected.

16. ***There are outstanding litigation proceedings filed by and against our Company. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are outstanding litigation proceedings against our Company in relation to certain taxation matters. Further, our Company has also initiated certain criminal proceedings against various parties. Such outstanding litigation proceedings are pending at various levels of adjudication before various tribunals and other authorities.

The summary of outstanding litigation proceedings set out below includes details of criminal proceedings, taxation proceedings and material civil litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" beginning on page 307) involving our Company.

Nature of Cases	Number of outstanding cases	Amount involved (in ₹ million)*
Litigation filed against our Company		
Actions by regulatory or statutory authorities	1	2.28*
Indirect tax matters	9	310.46*
Direct tax matters	3	2.82*
Criminal proceedings	Nil	Nil
Matters above the materiality threshold of ₹ 4.78 million	7	309.80*
Litigation filed by our Company		
Actions by regulatory or statutory authorities	Nil	Nil
Indirect tax matters	Nil	Nil
Direct tax matters	Nil	Nil
Criminal proceedings	98	19.52
Matters above the materiality threshold of ₹ 4.78 million	Nil	Nil

* *To the extent quantifiable, excluding interest and penalty thereon.*

For further information, see "*Outstanding Litigation and Other Material Developments*" beginning on page 307.

There can be no assurance that these legal proceedings will be decided in our favor. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations, financial condition and cash flows.

17. We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements and for purchase of tinting machines and gyroshakers. We are yet to place orders for such capital expenditure and purchase of tinting machines and gyroshakers.

We intend to utilise a portion of the Net Proceeds for funding capital expenditure for expansion of the existing manufacturing facility at Pudukkottai, Tamil Nadu. We also intend to utilise a portion of the Net Proceeds towards purchase of tinting machines and gyroshakers. While we have obtained quotations from various vendors in relation to the plant and machinery required for funding such capital expenditure and have also entered into a supply agreement with dated October 26, 2020 with Corob India Private Limited for purchase of the tinting machines and gyroshakers, we are yet to place orders for such plant, machinery, tinting machines and gyroshakers. Accordingly, orders worth (i) ₹ 1,855.49 million, which constitutes 100% of the total estimated costs in relation to expansion of the existing manufacturing facility at Pudukkottai, Tamil Nadu; and (ii) ₹ 500.13 million, which constitutes 100% of the total estimated costs in relation to the purchase of tinting machines and gyroshakers, are yet to be placed. There can be no assurance that we will be able to place orders for such plant, machinery, tinting machines and gyroshakers in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

18. Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.

Our operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. Our operations may generate significant amounts of pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Non-compliance with these laws and regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations, financial condition, or cash flows. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

19. ***We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our brand "Indigo" or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows.***

We currently sell our products in India through a network of dealers, who further distribute our products to end-customers. We primarily sell our paint products under our brand label, "*Indigo*". We have registered certain trademarks in India, and may apply for such registrations in the future. The registration of intellectual property including trademarks is a time-consuming process and there can be no assurance that any registration applications we may pursue will be successful and that such registration will be granted to us. If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary property could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

In particular, the use of "*Indigo*" or similar trade names by third parties may result in confusion among our customers, and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including spurious or imitation or look-alike products. For example, other manufacturers imitating our brands, and packaging design and material selling spurious products may adversely affect sale of our products, resulting in a decrease in market share due to a decrease in demand for our products. Such imitation or spurious products may not only result in loss of sales but also adversely affect the reputation of our brand and consequently our future sales and results of operations. In addition, few products that we resell are manufactured by third-parties that also affix the "*Indigo*" brand on these products. As we engage with these third-party manufacturers on an informal basis, there can be no assurance that such third-parties will not misuse the "*Indigo*" brand or affix it on products not authorized by us. In the event of such unauthorized use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations.

Further, we protect most of our intellectual property including product and process improvements by relying on trade secret laws and confidentiality agreements. Our efforts to protect our intellectual property may not be adequate. Unauthorized parties may infringe upon or misappropriate our services or proprietary information. While our domain names cannot be copied, we may be unable to renew registration of our domain names, and other parties could create an alternative domain name resembling ours that could be passed off as our domain name. In addition, despite our efforts to comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our processes, obtain additional licenses or cease significant portions of our operations. We may also be susceptible to claims from third-parties asserting infringement and other related claims. Regardless of their merits, such claims could materially and adversely affect our relationships with current or future dealers, result in costly litigation, delay or disrupt provision of services, divert management's attention and resources, subject us to significant liabilities, require us to enter into royalty or licensing agreements or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and cash flows.

20. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

As of September 30, 2020, we own and operate three manufacturing facilities in Rajasthan, Kerala and Tamil Nadu with an aggregate estimated installed production capacity of 101,903 KLPA for liquid paints and 93,118 MTPA for putties and powder paints. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand; and the demand and supply balance of our products in the principal and target markets. In particular, the level of our capacity utilization can impact our operating results. Capacity utilization is also affected by our product mix and the demand and supply balance.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facilities, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our dealers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we have made certain investments for the expansion of our manufacturing capacities in the past and intend to use a part of the Net Proceeds towards expansion of our manufacturing facilities, specifically at our manufacturing facility located in Tamil Nadu. Our proposed expansion plans are based on demand forecasts that are subject to various assumptions including product trends in the industry, inventory management at dealer outlets, weather conditions and seasonality in the industry, and end-customer spending preferences, that are based on prevailing economic conditions. Adequate utilization of our expanded capacities is therefore subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacities efficiently. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. Also see " – *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" and " – *Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns*" on pages 29 and 27-28, respectively.

In Fiscals 2018, 2019 and 2020, our overall capacity utilization for liquid paint production was 71.80%, 57.64% and 47.49%, respectively, and for powder paint production was 66.98%, 90.61% and 50.87%, respectively. In the six months ended September 30, 2019 and 2020, our overall capacity utilization for liquid paint production was 30.06% and 20.77%, respectively, and for powder paint production was 110.68% and 57.98%, respectively. For further information, see "*Our Business - Capacity and Capacity Utilization*" on pages 165-167. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

21. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. For instance, as a result of the COVID-19 pandemic, certain of our dealers had requested for modifications to their payment terms, which temporarily increased our cash flow requirements.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows. For further information on the working capital facilities currently availed of by us, see "*Financial Indebtedness*" beginning on page 267.

22. ***Inability to meet the quality standard norms prescribed by the central and state governments could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations, financial condition, and cash flows.***

The quality of the products being manufactured by us is open to independent verification by agencies of the central and state governments, or various other regulatory authorities. Regulatory authorities including authorities under the Legal Metrology Act, 2009, may carry out inspection of our premises, plant, equipment, machinery, manufacturing or other processes and sample checks on any material or substance in relation to our product at short notice or without notice. The government authorities could impose fines or issue us show cause notices if the samples are not in conformity with the prescribed quality norms. For instance, we have in the past been penalized by the Legal Metrology department for alleged contravention of certain provisions of the Legal Metrology Act, 2009 and the rules notified thereunder and there can be no assurance that we will not be similarly penalised in the future. Failure on our part to adhere to the quality norms prescribed by the government agencies could lead to recall of those batches and/or the products in the relevant state, or we may be liable to pay a penalty. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

23. ***Improper storage, processing and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.***

Our inventory primarily consists of raw materials including acrylic binders, alkyd resins and additives and finished products. Our raw materials, manufacturing processes and finished products are susceptible to fungal and bacterial contamination if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such a contamination is detected at the facility during quality checks, we may be required to disinfect the entire plant and equipment, resulting in a suspension of manufacturing activities, and lower capacity utilizations, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory due to adverse weather conditions or longer than usual storage periods, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins.

24. ***Our business is subject to seasonal variations and cyclicality that could result in fluctuations in our results of operations.***

Seasonality may adversely affect our business and results of operations. In particular, the decorative paints business is sensitive to seasonality, with our revenues recorded during the months of June to August being relatively lower compared to other periods due to the monsoon season. During the monsoons, construction and housing activity is curtailed and we may continue to incur operating expenses, but our revenue from the sale of our products may be delayed or reduced. In addition, unusually cold and rainy weather could have an adverse effect on sales of our exterior paint products. As a result of such fluctuations, our sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance. In addition, a portion of our revenue is from certain sectors and businesses that are cyclical in nature and subject to changes in general economic conditions. For example, certain of our dealers may sell a significant portion of our products to the construction and housing industry. The level of construction activity in local and national markets is inherently cyclical, being influenced by a wide variety of factors including national and regional economic circumstances, governments' ability to fund infrastructure projects, consumer sentiment and other factors beyond our control. As a result, any adverse developments in such industries could adversely affect our business and results of operations.

Similar variations may also result from shifting of major festivals from one month to another in successive years, which may adversely affect our manufacturing and sales volumes in a given period compared to the similar period of the preceding year, and could therefore have an impact on our comparative results of operations during the relevant period.

25. ***Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations, financial condition, and cash flows.***

While we have experienced significant growth and have expanded our operations extensively over the years, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves growing our portfolio of differentiated products, strengthening our brand, deepening our penetration in existing markets and expanding our presence in select new territories, continuing to install tinting machines across dealer outlets, and expanding our manufacturing capacities. For further information, see "*Our Business – Strategies*" beginning on page 158.

Our success in implementing our growth strategies may be affected by our ability to identify new market opportunities, develop differentiated products, increase our existing network of dealers and ability to adapt to changes in the Indian or international regulatory environment applicable to us. Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. Any change in government policies and regulations including any ban imposed on a particular product by the respective governments, or any duties, pre-conditions or ban imposed by countries from where we source certain raw materials may have an adverse impact on our operations. In addition, there may be delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans; increased difficulty and cost in implementing these efforts; and the incurrence of other unexpected costs associated with operating the business. Any of these factors could adversely impact our results of operations. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected. Also see "– *Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays*." on pages 27-28.

26. Our manufacturing activities are dependent on the delivery of adequate and uninterrupted supply of electrical power and water at a reasonable cost. Any shortages or any prolonged interruption or increase in the cost of power and water, could adversely affect our business, result of operations, financial conditions, and cash flows.

Adequate and cost effective supply of electrical power and water is critical to our operations. We have three manufacturing facilities in three states in India, namely, Rajasthan, Kerala and Tamil Nadu. Each of our manufacturing facilities depends on the delivery of an adequate supply of electrical power. For further details, see "*Our Business – Manufacturing Facilities*" on pages 164-165. There can be no assurance that electricity supplied to our existing manufacturing facilities will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition, results of operations, or cash flows.

Our operations and facilities are dependent on a steady and stable supply of water, and irregular or interrupted supply of water, or government intervention are factors that could adversely affect our daily operations. If there is an insufficient supply of water to satisfy our requirements we may need to limit or delay our production, which could adversely affect our business, financial condition, results of operations, and cash flows. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power or water for a prolonged duration, we would not be able to immediately return to full production volumes following power interruptions, however brief. Accordingly, any increase in power costs and water costs could adversely affect our operations and financial condition.

27. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.

Our industry is labour intensive. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As of September 30, 2020, we employed 666 employees across our various manufacturing facilities. In addition, we also employ contract labours for conducting various activities at our manufacturing facilities. Certain of our employees are unionised into labour unions at our Kochi Facility. Although we have not experienced any major interruption to our operations as a result of labour disputes in the recent past, there can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. We may also have to incur additional expense to train and retain skilled labour. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that imposes financial obligations on employers upon retrenchment. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. Any labour unrest including labour disputes, strikes and lock-outs, industrial accidents, experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected.

28. Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations, financial condition, and cash flows.

Our business depends on our estimate of the demand for our products from dealers. We estimate demand for our products based on market projections. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in delayed or non-fulfilment of purchase orders resulting in loss of dealers, goodwill and business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations. In addition, if our products do not achieve widespread acceptance, or our dealers change their procurement preferences, we may be required to incur significant inventory markdowns, or may not be able to sell the products at all, which would affect our business, results of operations and financial condition. As such, our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

29. ***Our inability to collect receivables and default in payment from our dealers could result in the reduction of our profits and affect our cash flows.***

Our operations involve extending credit for extended periods of time to our dealers in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with our dealers. While we typically operate on pre-sanctioned credit limits with dealers, we cannot guarantee that our dealers will not default on their payments. Our inability to collect receivables from our dealers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2018, 2019 and 2020, our trade receivables were ₹ 967.86 million, ₹ 1,038.47 million and ₹ 1,044.74 million, respectively, which represented 24.01%, 19.33% and 16.68% of our total income for such years, respectively. In the six months ended September 30, 2019 and 2020, our trade receivables were ₹ 803.55 million and ₹ 855.70 million, respectively, which represented 29.39% and 32.88% of our total income for such periods, respectively. Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our dealers, and as a result could cause dealers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. For instance, as a result of the COVID-19 pandemic, certain of our dealers had requested for temporary modifications to their payment terms, which temporarily increased our cash flow requirements. An increase in bad debts or in defaults by our dealers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

30. ***We may be subject to significant risks and hazards when operating and maintaining our manufacturing facilities, for which our insurance coverage might not be adequate.***

As of September 30, 2020, we operated three manufacturing facilities in India. We generally perform scheduled and unscheduled maintenance and operating and other asset management services. We sub-contract certain maintenance services to third-parties who may not perform their services adequately. Manufacturing paint involves handling of certain hazardous raw materials. In addition to natural risks such as earthquake, flood, lightning, cyclones and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and may result in the suspension of operations. The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for cleanup costs, personal injury and property damage and fines and/or penalties.

We maintain an amount of insurance protection that we consider adequate including insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles, directors' and officers' liability insurance policy, and policy covering damage to stocks at our depots. We may not have identified every risk and further may not be insured against every risk because such risks are either uninsurable or not insurable on commercially acceptable terms, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies such as COVID-19 and other pandemics, or due to the same being inadequate, could materially harm our cash flows, financial condition and future results of operations. However, we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. Our insurance cover for property, plant and equipment, and inventory, as of September 30, 2020 was ₹ 1,767.37 million, while our gross block of property, plant and equipment, and inventory, was ₹ 1,640.51 million as of September 30, 2020. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment, and inventory, was 107.73%, as of September 30, 2020. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 172.

31. ***We have incurred borrowings from commercial banks and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.***

We have entered into agreements with a bank for short-term and long-term borrowings. As of September 30, 2020, we had Total Borrowings (consisting of borrowings under non-current liabilities, current maturities of long-term debts, and borrowings under current liabilities) of ₹ 301.34 million. Certain agreements that we have entered into contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including change in shareholding pattern and management control, entering into any scheme of merger, amalgamation, compromise or reconstruction, changing the management materially, change to the Company's Memorandum and Articles, create, assume or incur any further indebtedness or incur any capital expenditure except being funded by Company's own resources, and change in the ownership or control. Our Company has applied for and received consent from the relevant lender for undertaking the Offer. Further, in terms of security, we are required to create a mortgage over our immovable properties by way of depositing original title deeds, and hypothecate our movable properties, including by way of a pledge of our fixed deposits. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities, which may adversely affect our business and financial condition.

Further, we are required to, among other obligations, comply with certain financial covenants including maintaining the prescribed debt service coverage ratio, tangible net worth, term debt, and minimum net worth. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates or downgrade in the credit ratings assigned to our debt instruments may directly impact the interest costs of such loans. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. For further information, see "*Financial Indebtedness*" beginning on page 267.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

32. ***Our Company proposes to utilize a portion of the Net Proceeds to repay/ pre-pay certain borrowings availed by our Company.***

Our Company intends to use a certain portion of the Net Proceeds for the repayment/ pre-payment of certain borrowings of our Company. The details of the borrowings identified to be repaid using the Net Proceeds have been disclosed in "*Objects of the Offer*" on pages 114-115. Further, our Company may refinance/ roll over some or all of such identified borrowings in the ordinary course of business depending on the requirements of our Company. Accordingly, our Company may utilize the Net Proceeds for repayment of such refinanced/ rolled over borrowings or fresh borrowings obtained by our Company which are in the nature of short-term borrowings. However, the repayment of the identified borrowings are subject to various factors including, commercial considerations, market conditions, cost of borrowings and conditions attached to such borrowings.

While we believe that utilization of Net Proceeds for repayment of borrowings would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company.

33. ***Restrictions on import of raw materials may adversely impact our business and results of operations.***

We currently source a certain portion of our raw materials, comprising minerals, from vendors in Vietnam. Raw material imports are regulated by certain specific laws and regulations that permit concerned authorities to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. While raw materials we import from Vietnam are not hazardous in nature, we cannot assure you that such regulations will not be made applicable to us, or that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. While we have not in the recent past experienced any challenges in importing such materials, we cannot assure you that we will not experience any such challenges in the future. In the event we are unable to import these materials, there can be no assurance that we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner or at all. Any change in law or applicable governmental policies relating to imports, change in international geo-political situations, restriction on import of raw materials could have an adverse effect on our ability to deliver products to our dealers, business and results of operations.

34. ***Some of our manufacturing facilities, offices and depots are located on leased or licensed or rented premises. If these leases, leave and license agreements or rental deeds are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition, results of operations, and cash flows.***

Our Registered Office and Corporate Office is located on premises that we operate on a leave and license basis. In addition, some of our depots and our manufacturing facilities are also located on leased and licensed premises. We typically enter into lease agreements of varying terms for our depots with an option to renew such term.We may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements. We may also be required to vacate the premises at short notice as prescribed in the lease agreements, and we may not be able to identify and obtain possession of an alternate location, in a short period of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations. Further, a number of our leave and license and rent agreements as well as rental deeds are due to expire in the next three months to three years, and in case of non-renewal of our licenses or rental deeds or if such agreements are renewed on unfavorable terms and conditions, we may be forced to procure alternative space. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

Additionally, we have entered into lease agreements for a period of 99 years for our manufacturing facilities, that are operated on industrial land allotted to us by industrial development corporations, subject to various compliance requirements including restrictions on transfer, sub-let, mortgage of the premises and changes to our products and production capacity without prior written permission of the industrial development corporations and approvals to be obtained from the industrial development corporations. Further, in some instances, our Company is required to take prior consent from the lessor for certain matters including change of directors causing a change in the ownership or management of the Company, change in constitution of the Company and change in its products, production capacity or manufacturing process. As per the terms of one of the lease deeds entered into with an industrial corporation, our Company is also required to comply with the provisions of the RIICO Disposal of Land Rules, 1979. Additionally, our Company is also required to intimate the lessor for certain matters including change in name or address of the registered office or administrative office of the Company. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition. For further information, see "*Our Business – Properties*" on page 173.

35. ***An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may give rise to product liability claims and adversely affect our business prospects and financial performance.***

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

Further, if our products are alleged or found to be defective, we may be subject to product liability claims. There could be instances in which our products do not meet the specifications. We have from time to time encountered certain claims with respect to the quality of our products. While we have not been required to recall our products and have resolved these claims amicably, we may be subject to product liability claims and litigation for compensation in the future which could result in substantial and unexpected expenditure and could materially and adversely affect our cash flow and operating results. Further, there can be no assurance that we will be able to successfully defend such claims. If any such claims against us are ultimately successful, we could be required to pay substantial damages, which could materially and adversely affect our business, financial condition, results of operations, and cash flows. Moreover, product failures or defects, and any complaints or negative publicity, could result in a decrease in our sales. Even if certain of the product defects are attributable to raw materials supplied by our suppliers, we cannot guarantee that we would be able to recover all or part of the damages by claiming against our suppliers.

36. ***Some of our corporate records are not traceable.***

In the past, certain filings made by our Company have not been made in the manner required under the Companies Act, 1956 and the Companies Act, 2013. Additionally, certain forms filed by our Company in the past had factual inaccuracies, which related to, amongst others, change in the designation of director(s) in Form(s) DIR-12, discrepancies in relation to price of allotment of Equity Shares and class of Equity Shares mentioned in Form(s) PAS 3, and incorrect references to name of the ESOP scheme(s) in Form(s) PAS-3. Further, in the past certain resolutions passed by our shareholders have also had factual inaccuracies. Further, our Company has not been able to trace records of certain forms that were required to be filed by our Company with the Registrar of Companies in the past, pertaining to period when the records at Registrar of Companies were not computerised. For instance, we have been unable to trace certain form filings for allotment of Equity Shares made prior to March 31, 2008. Despite conducting searches of our internal records and the records maintained by the jurisdictional Registrar of Companies for the aforesaid secretarial records, we have not been able to trace the aforementioned documents.

While information in relation to such allotments has been disclosed in the section "*Capital Structure*" beginning on page 71, in this Draft Red Herring Prospectus, based on the statutory register of members, Board resolutions and minutes of the meetings of our Board, we may not be able to furnish any further document evidencing such allotments. We cannot assure you that the abovementioned forms will be available in the future. Further, we cannot assure you that our Company has filed such forms in a timely manner or at all, in the past. While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future. Although no regulatory action/ litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

37. ***Fluctuations in the average selling prices of our paint products could adversely affect our business, financial condition, results of operations, and cash flows.***

The average selling prices of our products may be subject to fluctuations depending on the market conditions. The average selling prices of our products are affected by the general market conditions, such as pricing by competition and raw material costs, which could have an impact on the businesses of our dealers and, in turn, their demand for our products. An inflexible pricing policy may result in reduction in sales because of reduced price competitiveness. While, we have not experienced any material fluctuation in our average selling prices, we cannot assure you that we will not experience declining average selling prices for our products or that our average selling prices can remain at the same level in the future. A decline in the average selling prices for our products could adversely affect our business and financial condition, operating results, and cash flows.

38. ***Uncertainty regarding the manufacturing industry, housing market, economic conditions and other factors beyond our control could adversely affect demand for our products and services, our costs of doing business and our financial performance.***

Our financial performance depends significantly on the manufacturing industries, on the stability of the housing, residential construction, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our end-customers' confidence or financial condition, causing them to determine not to purchase home improvement products and services or delay purchasing or payment for those products and services. Other factors beyond our control, the state of the credit markets, including mortgages and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance. Any slowdown in these industries and economy is a major risk for the paint industry.

39. ***Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity of, and actual productions volumes at, our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of the paint industry after examining the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies, and taking into account the number of working days in a year, number of days in a month, number of shifts in a day, and average downtime efficiency. Actual manufacturing capacity, production levels and utilization rates may therefore vary from the information of our manufacturing facilities included in this Draft Red Herring Prospectus or from the historical installed manufacturing capacity information of our manufacturing facilities depending on the product type. Accordingly, undue reliance should not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

40. ***We are dependent on our Promoters, Directors, and a number of key managerial personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition, and cash flows.***

We are dependent on our Promoters, Directors and key managerial personnel for setting our strategic business direction and managing our business. Certain of our Promoters, being Directors of our Company and several of our key managerial personnel have extensive experience in the paint sector. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our experienced sales team has also developed a number of dealer relationships that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impacted.

We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

41. ***Our Statutory Auditor has included certain matters of emphasis in our Restated Financial Statements. In addition, the annexure to our Statutory Auditors' report issued under the Companies (Auditor's Report) Order, 2016 ("CARO"), on our historical audited financial statements contain statements on certain matters.***

Our Statutory Auditors have included certain matters of emphasis in relation to our Company in our Restated Financial Statements. In addition, the annexure to our Statutory Auditors' report issued under the Companies (Auditor's Report) Order, 2016, on our audited financial statements for Fiscal 2018, 2019, and 2020 contain statements on certain matters. For further information, see "*Management's Discussion and Analysis on the Financial Conditions and Results of Operations - Auditor's Observations*" page 304.

There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such remarks or matters of emphasis in the auditors' report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

42. ***We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures and certain other industry measures related to our operations and financial performance. These Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian decorative paint industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain Non-GAAP Measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian decorative paint manufacturing companies, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on pages 287-290.

43. ***Our Promoters will continue to retain majority shareholding in us after the Offer, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

As on date of this Draft Red Herring Prospectus, our Promoters hold approximately 94.26% of the pre-Offer paid-up Equity Share capital of our Company. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour.

44. ***Any failure or disruption of our information technology systems could adversely impact our business and operations.***

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented an ERP system across our offices and manufacturing facilities, to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, and other business functions. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. While we have not experienced any disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons.

45. ***Changes in technology may affect our business by making our manufacturing facilities or equipment less competitive.***

Our profitability and competitiveness are to a certain extent dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in technology may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities. Our inability to continue to invest in new and more advanced technologies and equipment, may result in our inability to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other paint manufacturing companies and other methods of manufacturing. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions or technological changes, our business and financial performance could be adversely affected.

46. ***We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.***

We strengthened our presence in southern India and gained access to solvent-based paints through the acquisition of Hi-Build Coatings Private Limited and its facilities at Kochi (Kerala) and Pudukkottai (Tamil Nadu) in Fiscal 2016. In the future, we may consider making simliar strategic acquisitions of other paint manufacturing companies or other companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio and expand our distribution network. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful.

It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire another company we could face difficulty in integrating the acquired operations. In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

47. ***We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performing certain of our manufacturing and ancillary operations. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. All contract labourers engaged at our manufacturing facilities are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

Further, in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract labourers as our employees, the Indian courts on a case by case basis have directed employers in the past to absorb contract labourers as employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, financial condition, and cash flows.

48. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have in the past entered into transactions with certain enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

For further information on our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 266. We cannot assure you that any such future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

49. ***Our Restated Financial Statements disclose certain contingent liabilities as per Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets, which if materialize, may adversely affect our business, financial condition, cash flows and results of operation.***

As of September 30, 2020, our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	**Amount (₹ million)**
Sales tax – C forms	0.30
Value added tax	301.11
Income tax matters	2.82
Excise and service tax related matters	9.35
Building tax	2.28
Total*	**315.86**

**excluding interest and penalty thereon.*

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations, and cash flows. For further information on our contingent liabilities as per Ind AS 37, see "*Restated Financial Statements – Annexure VII – Note 31*" on page 253.

50. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, Frost & Sullivan India Private Limited, to prepare an industry report titled "*Independent Market Report for Paints Sector in India*" dated November 9, 2020, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Book Running Lead Managers or any other person connected with the Offer has independently verified such information. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, there is no assurance that such information are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from such third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

51. ***Our end-customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.***

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Our end-customers may be located in jurisdictions to which certain OFAC-administered and other sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as a consequence.

52. ***If we are subject to any frauds, theft, or embezzlement by our employees, suppliers, contractors or dealers, it could adversely affect our reputation, results of operations, financial condition, and cash flows.***

Our operations may be subject to incidents of theft. We may also encounter some inventory loss on account of employee/ contractor/ dealer/ vendor fraud, theft, or embezzlement. Although we have set up various security measures in our manufacturing facilities such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

53. ***We face foreign exchange risks that could adversely affect our results of operations and cash flows.***

We have foreign currency payables for supply of certain raw materials and equipment and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. Dollars and other foreign currencies. There can be no assurance that we will be able to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies. Any significant fluctuation in the value of the Indian Rupee against such currencies including as noticed recently in the case of the US Dollar, may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in reduction of our margins and consequently have an adverse effect on business and result of operations.

54. ***Certain Promoters, also being the executive Directors of our Company, hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters, also being the executive Directors of our Company, are interested in our Company, in addition to their remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that they will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and Directors may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or remuneration or benefits, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 189 and 202, respectively.

55. We have not been able to obtain certain records of the educational qualifications of one of our Promoters, Kamala Prasad Jalan, and have relied on certificates furnished by him for such details of his profile, included in this Draft Red Herring Prospectus.

One of our Promoters, Kamala Prasad Jalan, has been unable to trace copies of documents pertaining to his educational qualifications, namely his bachelor's degree in commerce and law. While he has written a letter to the concerned university requesting for a copy of his degree certificates, a response from the university is awaited and there is no assurance that the university will respond to such letter in a timely manner or at all. Accordingly, reliance has been placed on certificates furnished by him to us and the BRLMs to disclose details of his educational qualifications in this Draft Red Herring Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that he will be able to trace the relevant documents pertaining to his educational qualifications in future, or at all.

56. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders.

The Offer consists of an Offer for Sale by the Selling Shareholders. The entire proceeds of the Offer for Sale will be transferred to each of the Selling Shareholders in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale and will not result in any creation of value for us or in respect of your investment in our Company. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and our Company will not receive any proceeds from the Offer for Sale. For further information, see "*Objects of the Offer*" on page 90.

57. Certain of our Promoters may not have adequate experience in the business activities undertaken by our Company.

Certain of our Promoters namely, Parag Jalan and Tara Devi Jalan, may not have adequate experience in the business activities undertaken by our Company. While Parag Jalan has several years of experience in consultancy services, Tara Devi Jalan has not received a formal education degree. For details, see "*Our Promoters and Promoter Group*" beginning on page 200. The business of our Company is managed by our other Promoters. Our Company cannot assure you that the lack of such adequate prior experience of certain of our Promoters in our business will not have any adverse impact on the management and/ or operations of the Company.

58. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have not declared dividend in the past. For further information, see "*Dividend Policy*" on page 205. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with the dividend distribution policy adopted by our Board on October 20, 2020 and will depend on factors that our Board deems relevant, including among others, our Company's profitability, capital requirements, financial commitments and requirements, including business and expansions plans, applicable legal restrictions and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

RISKS RELATING TO INDIA

59. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United

Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation, and cash flows. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Equity Shares.

60. ***The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

61. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition, and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

62. ***Majority of our revenue is derived from business in India and a slowdown in economic growth in India could cause our business to suffer and could adversely affect our results of operations***

We derive a majority of our revenue from our operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy's growth momentum moderated significantly in Fiscal 2018 and 2019 as compared to previous years. According to the Indian Central Statistics Organization, India's real GDP growth decreased from 7.2% in Fiscal 2018 to 6.8% in Fiscal 2019. According to the Indian Central Statistics Organization, industrial sector growth slowed from 6.1% in Fiscal 2018 to 7.6% in Fiscal 2019. As per various sources, the Indian economy has slowed further in Fiscal 2020. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares. Any slowdown in the Indian economy or future volatility in global markets could increase in our borrowing costs, result in freeze in lending generally, thereby adversely affecting our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition, cash flows and the trading price of the Equity Shares.

Further, India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards our banking and finance industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

63. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Financial Statements as of and for the years ended March 31, 2018 (proforma), March 31, 2019 and March 31, 2020, and as of and for the six months ended September 30, 2019 and September 30, 2020, have been derived from our audited financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS 34, and our audited financial statements as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 each prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our Restated Financial Statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

64. ***If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax, past claims of central excise, state VAT, and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017. For further information on litigations arising out of such claims, see "*Outstanding Litigation and Other Material Developments*" beginning on page 307.

Further, the Government of India has announced the union budget for Fiscal 2021, pursuant to which the Finance Act, 2020 ("**Finance Act**"), effective from July 1, 2020, has introduced various amendments. As such, there is no certainty on the impact that the Finance Act, 2020 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

65. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian*

Securities" on page 352.

66. ***A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" by DBRS in May 2020. India's sovereign ratings from S&P is BBB-with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

67. ***Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect our business, results of operations, financial condition and cash flows.***

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries

68. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.***

We are incorporated under the laws of India and all of our Directors and Key Managerial Personnel reside in India. All of our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**").

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

69. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

70. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

RISKS RELATING TO THE OFFER AND THE EQUITY SHARES

71. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

72. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

73. Any future issuance of Equity Shares may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

74. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

75. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquistion of the equity shares (unless exempted under a prescribed notification), and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax exempt in such cases. Further, STT will be levied on and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹ 100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Additionally, the Finance Act, 2020 does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

76. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations, and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

77. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section "*Basis for Offer Price*" beginning on page 119. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

78. Future sales of Equity Shares by our Promoter may adversely affect the market price of the Equity Shares.

After the completion of the Offer, our Promoter will own, directly, more than [●]% of our outstanding Equity Shares. Upon expiry of the lock-in period provided under the SEBI ICDR Regulations, our Promoter will be eligible to sell part or all of the Equity Shares held by it. Future sales of a large number of the Equity Shares by our Promoter, either in one sale or over a series of sales, could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. No assurance may be given that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future, or that the market price of the Equity Shares will not be adversely affected by any such disposal, pledge or encumbrance of their Equity Shares.

79. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids(in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Investors are not permitted to withdraw their Bids after bid/offer closing date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the bid/offer period and until the Bid/ offer closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the Investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Investors will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

80. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

Our Company believes it was not a PFIC for fiscal year ended March 31, 2020, and does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

81. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered “foreign passthru payments”. The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address “foreign passthru payments” and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as “foreign passthru payments”. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares[(1)(2)]	Up to [●] Equity Shares aggregating to ₹ [●] million
of which:	
(i) Fresh Issue[(1)]	Up to [●] Equity Shares aggregating to ₹ 3,000 million
(ii) Offer for Sale[(2)]	Up to 5,840,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders
The Offer consists of:	
(i) Employee Reservation Portion[(3)]	Up to [●] Equity Shares, aggregating to ₹ [●] million
(ii) Net Offer	Up to [●] Equity Shares, aggregating to ₹ [●] million
The Net Offer consists of:	
A) QIB Portion[(4)(5)]	Not more than [●] Equity Shares
of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(4)]	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
C) Retail Portion[(4)(5)]	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer[(6)]	29,022,175 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Utilisation of Net Proceeds	See "*Objects of the Offer*" beginning on page 90 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

1. *The Fresh Issue has been authorised by our Board pursuant to resolution passed on September 29, 2020 and by our Shareholders pursuant to special resolution passed on October 7, 2020.*

2. *Each of the Selling Shareholders (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus and are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. Each of the Selling Shareholders has confirmed and approved its participation in the Offer for Sale as set out below:*

S. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's consent letter	Date of corporate authorisation/board resolution
Investor Selling Shareholders				
1.	Sequoia IV*	2,005,000	October 30, 2020	October 30, 2020
2.	SCII V#	2,165,000	October 30, 2020	October 30, 2020
Promoter Selling Shareholder				
3.	Hemant Jalan	1,670,000	October 29, 2020	-

**The Equity Shares proposed to be offered by Sequoia IV will include a portion of the Equity Shares which will result upon conversion of 69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV. The conversion of Series A1 CCCPS, Series A2 CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#The Equity Shares proposed to be offered by SCII V will include a portion of the Equity Shares which will result upon conversion of 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V. The conversion of Series B CCCPS and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

3. *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" beginning on page 334.*

4. *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws. In the event of under subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, Equity Shares will be Allotted under the Offer for Sale in proportion to the Offered Shares being offered by the Selling Shareholders. For avoidance of doubt, it is hereby clarified that balance Equity Shares of the Fresh Issue (i.e., 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares is Allotted in the Offer. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" beginning on page 329.*

5. *Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" beginning on page 337, respectively.*

6. *69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

Allocation to Bidders in all categories except the Anchor Investor Portion and the RIB Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, see "*Offer Procedure*" beginning on page 337.

For details of the terms of the Offer, see "*Terms of the* Offer" beginning on page 329.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Statements as at and for the six months ended September 30, 2020 and September 30, 2019 and as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma).

The summary financial information presented below should be read in conjunction with "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 206 and 271, respectively.

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Restated Summary of Assets and Liabilities

(in ₹ million)

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Assets					
Non-current assets					
Property, plant and equipment	1,403.53	903.90	1,420.30	864.33	614.24
Capital work in progress	25.78	309.02	10.89	43.97	24.63
Right-of-use assets	271.59	291.66	277.95	311.40	97.19
Goodwill	305.52	305.52	305.52	305.52	407.36
Other intangible assets	4.74	3.93	3.72	4.32	4.85
Financial assets					
a) Loans	57.96	46.11	54.81	40.71	6.88
b) Other financial assets	23.78	22.24	22.98	-	20.85
Income tax assets (net)	1.74	53.92	1.74	1.74	1.74
Other non-current assets	34.58	43.88	9.37	57.48	25.02
	2,129.22	**1,980.18**	**2,107.28**	**1,629.47**	**1,202.76**
Current assets					
Inventories	672.62	714.70	767.65	693.26	552.06
Financial assets					
a) Investments	305.93	202.30	208.37	197.04	184.34
b) Trade receivables	855.70	803.55	1,044.74	1,038.47	967.86
c) Cash and cash equivalents	121.48	42.71	56.84	118.42	46.23
d) Bank balances other than Cash and cash equivalents	-	-	-	21.81	0.20
e) Loans	5.56	2.27	3.16	3.25	2.55
f) Other financial assets	1.06	1.04	1.02	1.11	2.88
Other current assets	21.34	20.38	30.53	29.00	15.06
	1,983.69	**1,786.95**	**2,112.31**	**2,102.36**	**1,771.18**
Total assets	**4,112.91**	**3,767.13**	**4,219.59**	**3,731.83**	**2,973.94**
Equity and liabilities					
Equity					
a) Equity share capital	290.21	290.21	290.21	288.51	285.93
b) Instruments in the nature of equity	183.04	183.04	183.04	183.04	183.04
c) Other equity	1,770.48	1,079.46	1,497.28	1,003.08	805.64
Total equity	**2,243.73**	**1,552.71**	**1,970.53**	**1,474.63**	**1,274.61**
Liabilities					
Non-current liabilities					
Financial liabilities					
a) Borrowings	193.26	293.85	247.19	269.11	89.13
b) Lease liabilities	25.70	46.06	28.20	54.10	48.27
Other liabilities	35.14	35.01	38.46	31.67	17.89
Deferred tax liabilities (net)	57.05	63.27	69.67	21.02	-
Provisions	27.92	5.87	13.00	-	-
	339.07	**444.06**	**396.52**	**375.90**	**155.29**
Current liabilities					
Financial Liabilities					
a) Borrowings	-	232.40	145.29	247.06	226.38
b) Lease liabilities	31.75	29.73	34.41	39.87	28.83
c) Trade payables					
- total outstanding dues of micro and small enterprises	357.17	284.12	258.96	128.33	87.91
- total outstanding dues of creditors other than micro and small enterprises	833.88	945.37	1,126.94	1,234.09	997.41
d) Other financial liabilities	178.19	188.79	193.93	150.64	100.44
Other liabilities	85.03	77.61	56.14	78.28	101.60
Provisions	12.96	9.31	10.61	-	1.47
Income tax liabilities (net)	31.13	3.03	26.26	3.03	-
	1,530.11	**1,770.36**	**1,852.54**	**1,881.30**	**1,544.04**

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Total liabilities	**1,869.18**	**2,214.42**	**2,249.06**	**2,257.20**	**1,699.33**
Total equity and liabilities	**4,112.91**	**3,767.13**	**4,219.59**	**3,731.83**	**2,973.94**

Restated Summary of Profit and Loss

(in ₹ million)

Particulars	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Income					
Revenue from operations	2,594.20	2,726.36	6,247.92	5,356.29	4,014.76
Other income	8.23	7.61	16.44	16.33	16.29
Total income (I)	**2,602.43**	**2,733.97**	**6,264.36**	**5,372.62**	**4,031.05**
Expenses					
Cost of raw materials and components consumed	1,238.18	1,509.74	3,211.32	2,965.15	2,216.20
Purchase of traded goods	53.57	46.19	108.56	81.29	55.70
Decrease/ (increase) in inventories of finished goods and traded goods	60.32	(100.86)	(100.27)	(61.20)	40.90
Excise duty on sale of goods	-	-	-	-	64.04
Employee benefits expense	220.43	209.61	419.91	363.83	302.53
Finance costs	24.72	27.65	55.95	46.56	45.37
Depreciation and amortisation expense	112.15	96.42	196.10	170.54	90.24
Other expenses	540.81	827.13	1,698.52	1,466.30	1,077.37
Total expenses (II)	**2,250.18**	**2,615.88**	**5,590.09**	**5,032.47**	**3,892.35**
Restated profit before exceptional items and tax (III) = (I - II)	**352.25**	**118.09**	**674.27**	**340.15**	**138.70**
Exceptional items (IV)	-	-	-	3.05	13.16
Restated profit before tax (V) = (III - IV)	**352.25**	**118.09**	**674.27**	**337.10**	**125.54**
Tax expense					
Current tax	92.78	15.91	147.13	48.24	(3.08)
Deferred tax (including MAT credit entitlement/ write-off)	(12.58)	42.24	48.99	20.16	-
Total tax expense (VI)	**80.20**	**58.15**	**196.12**	**68.40**	**(3.08)**
Restated profit for the year/ period (VII)=(V-VI)	**272.05**	**59.94**	**478.15**	**268.70**	**128.62**
Other comprehensive income (OCI)					
Items not to be reclassified to profit or loss in subsequent periods:					
Re-measurement (loss)/ gain on defined benefit plans	(0.15)	0.03	(1.36)	2.47	2.97
Less: Income tax effect on above	0.04	(0.01)	0.34	(0.86)	-
Restated total other comprehensive income for the period/ year, net of tax (VIII)	**(0.11)**	**0.02**	**(1.02)**	**1.61**	**2.97**
Restated total comprehensive income for the period/ year, net of tax (IX)=(VII+VIII)	**271.94**	**59.96**	**477.13**	**270.31**	**131.59**
Restated Earnings per equity share (face value Rs.10)					
Computed on the basis of restated profit for the period / year (in Rs.)					
- Basic	6.03*	1.33*	10.61	5.98	2.88
- Diluted	5.97*	1.32*	10.49	5.90	2.82
**not annualised*					

Restated Summary of Cash Flows

(in ₹ million)

Particulars	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Cash flow from operating activities					
Restated profit before tax (after exceptional item)	**352.25**	**118.09**	**674.27**	**337.10**	**125.54**
Adjustment to reconcile restated profit before tax to net cash flows					
Depreciation and amortisation expense	112.15	96.42	196.10	170.54	90.24
Employee stock option cost	1.26	0.44	1.09	9.53	6.62
Provision for impairment allowance of financial assets (net)	4.35	0.29	2.84	8.10	9.64
(Gain)/loss on sale of PPE (net)	-	(0.64)	(0.81)	1.09	-
Finance cost	24.72	27.65	55.95	46.56	45.37
Fair value gain on financial instruments	(4.88)	(5.26)	(11.33)	(12.70)	(12.02)
Interest (income)	(0.91)	(0.72)	(1.71)	(1.89)	(1.76)
Operating profit before working capital changes	**488.94**	**236.27**	**916.40**	**558.33**	**263.63**
Working capital adjustments					
Increase/ (decrease) in trade payables and other financial liabilities	(194.85)	(133.35)	22.96	277.12	233.01
Increase/ (decrease) in other liabilities	25.57	2.67	(15.35)	(9.54)	40.70
Increase/ (decrease) in provisions	16.55	15.20	22.59	0.14	(3.47)
(Increase)/ decrease in trade receivables	184.69	234.63	(9.12)	(78.70)	(285.79)
(Increase)/ decrease in inventories	95.03	(21.44)	(74.38)	(141.21)	(20.50)
(Increase)/ decrease in other assets	9.20	8.62	(1.53)	(13.10)	5.59
(Increase)/ decrease in other financial assets	(0.04)	0.07	0.09	1.77	7.07
(Increase)/ decrease in loans	(5.55)	(4.42)	(14.01)	(34.53)	(1.42)
Cash generated from operations	619.54	338.25	847.65	560.28	238.82
Direct taxes paid (net of refunds)	(87.97)	(68.09)	(124.24)	(44.35)	(0.41)
Net cash flow from operating activities (A)	**531.57**	**270.16**	**723.41**	**515.93**	**238.41**
Cash flows (used in) investing activities					
Purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors	(134.57)	(351.50)	(614.02)	(638.27)	(197.36)
Proceeds from sale of property, plant and equipment	-	0.64	0.81	4.86	16.01
Proceeds fom sale of investments	207.32	-	-	-	5.40
Investment in mutual fund	(300.00)	-	-	-	-
Proceeds from bank deposits (having original maturity of more than three months)	-	-	-	0.20	-
Interest received	0.11	0.29	0.54	0.93	5.08
Net cash flow (used in) investing activities (B)	**(227.14)**	**(350.57)**	**(612.67)**	**(632.28)**	**(170.87)**
Cash flows from financing activities					
Proceeds from exercise of share options	-	17.68	17.68	17.22	-
(Repayment of)/ proceeds from short-term borrowings (net)	(145.29)	(14.66)	(101.77)	20.68	(11.55)
(Repayment) of long-term borrowings	(54.07)	(90.28)	(144.76)	(82.72)	-
Proceeds from long-term borrowings	-	136.22	145.98	305.01	5.84
Payment of principal portion of lease liabilities	(18.04)	(22.11)	(42.54)	(34.41)	(24.51)
Interest paid	(22.39)	(22.15)	(46.91)	(37.24)	(38.06)
Net cash flow (used in)/ from financing activities (C)	**(239.79)**	**4.70**	**(172.32)**	**188.54**	**(68.28)**

Particulars	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Net (decrease)/ increase in cash and cash equivalents (A + B + C)	**64.64**	**(75.71)**	**(61.58)**	**72.19**	**(0.74)**
Cash and cash equivalents at the beginning of the six months period/ year	56.84	118.42	118.42	46.23	46.97
Cash and cash equivalents at the end of the six months period/ year	**121.48**	**42.71**	**56.84**	**118.42**	**46.23**
Components of cash and cash equivalents					
Cash on hand	0.54	1.16	0.95	1.12	0.93
Balances with banks					
- on current accounts	48.74	41.55	55.89	117.30	45.30
- on cash credit accounts (surplus)	72.20	-	-	-	-
Total cash and cash equivalents	**121.48**	**42.71**	**56.84**	**118.42**	**46.23**

GENERAL INFORMATION

Our Company was originally incorporated as 'Indigo Paints Private Limited' at Pune, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated March 28, 2000 issued by the Registrar of Companies, Maharashtra at Pune. Subsequently, our Company was converted into a public limited company and consequently the name of our Company was changed to 'Indigo Paints Limited' and a fresh certificate of incorporation dated August 20, 2020 was issued by the Registrar of Companies.

For details in relation to the change in the registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 177.

Registered and Corporate Office of our Company

Indigo Tower
Street-5, Pallod Farm-2
Baner Road
Pune 411 045
Maharashtra, India
Corporate Identity Number: U24114PN2000PLC014669
Company Registration Number: 014669

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, situated at the following address:
The Registrar of Companies, Maharashtra at Pune
PCNTDA Green Building
Block A, 1st & 2nd Floor
Near Akurdi Railway Station, Akurdi
Pune 411 044
Maharashtra, India

Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Hemant Jalan	Managing Director	00080942	6, Paradise, Baner Road, Pune 411 045
Anita Jalan	Executive Director	00085411	6, Paradise, Baner Road, Pune 411 045
Praveen Kumar Tripathi	Independent Director	03154381	Row House 5, Gokul Concorde, Off Western Express Highway, Near Sai Dham Temple, Thakur Village, Mumbai 400 101
Sunil Goyal	Independent Director	00503570	731, Akshay Giri, Kunj – III, Paliram Road, Near BMC Office, Andheri West, Mumbai 400 058
Narayanan Kutty Kottiedath Venugopal	Executive Director	00296465	45/2275E, Prestige Neptune's Courtyard, Marine Drive, Shanmugham Road, Ernakulam 682 031
Sakshi Chopra	Nominee Director	07129633	4A, Harmony, Dr. E. Moses Road, Worli Naka, Mumbai 400 018
Ravi Nigam	Independent Director	00024577	46, Vascon Paradise, Baner Road, Pune 411 045
Ravi Shankar Ganapathy Agraharam Venkataraman	Alternate Director to Sakshi Chopra	02604007	Villa Gw09, 77 East, 77 Town Centre Yemlur Main Road, Marathahalli Colony, Bengaluru 560 037
Nupur Garg	Independent Director	03414074	115 Siddhartha Enclave, Jungpura, Delhi 110 014

For further details of the Directors, see "*Our Management*" beginning on page 182.

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal and emailed at cfddil@sebi.gov.in.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies at its office located at the Registrar of

Companies, PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune 411 044, Maharashtra, India.

Company Secretary and Compliance Officer

Sujoy Bose is our Company Secretary and Compliance Officer. His contact details are set forth below:

Sujoy Bose
Company Secretary and Compliance Officer
Indigo Tower
Street-5, Pallod Farm-2
Baner Road
Pune 411 045
Maharashtra, India
Tel: +91 20 6681 4300
E-mail: secretarial@indigopaints.com

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. 27, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: indigopaints.ipo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai 400 098
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: indigopaints.ipo@edelweissfin.com
Investor Grievance E-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Nikhil Joshi
SEBI Registration No.: INM0000010650

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
mail: indigopaints.ipo@icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Shekhar Asnani/ Rishi Tiwari
SEBI Registration No.: INM000011179

Legal Advisors to the Offer

Legal Counsel to our Company as to Indian Law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

Legal Counsel to the Book Running Lead Managers as to Indian Law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

Tel: +91 22 4933 5555

International Legal Counsel to the Book Running Lead Managers

Squire Patton Boggs (MEA) LLP
Dubai International Financial Centre (DIFC)
Burj Daman Office Tower, Level 10
P.O. Box 111 713, Dubai
United Arab Emirates
Tel: +971 4447 8700

Legal Counsel to the Investor Selling Shareholders as to Indian Law

Khaitan & Co
Embassy Quest
3rd Floor
45/1 Magrath Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 4339 7000

Registrar to the Offer

Link Intime India Private Limited
C-101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: indigopaints.ipo@linkintime.co.in
Investor grievance E-mail: indigopaints.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration number: INR000004058

Statutory Auditors to our Company

S R B C & CO LLP
101, Ground Floor
C wing, Panchshil Tech park
Yerwada
Pune 411016
Tel: +91 22 49126000
E-mail: srbc.co@srb.in
Peer Review number: 012054
Firm Registration number: 324982E/E300003

Changes in Auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Bank(s)

[●]

Sponsor Bank

[●]

Banker to our Company

HDFC Bank Limited
5th Floor, Data Processing Center
Bundgarden Road
Pune 411 001
Maharashtra, India
Tel: 020 67694663
E-mail: Akhil.jain1@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Akhil Jain

Syndicate Members

[●]

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Kotak
2.	Drafting and approval of all statutory advertisement	BRLMs	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	Edelweiss
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Edelweiss
5.	Preparation of road show presentation	BRLMs	ICICI Securities
6.	Preparation of frequently asked questions	BRLMs	Edelweiss
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	ICICI Securities
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Kotak
9.	Non-institutional and retail marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Finalising centres for holding conferences for brokers, etc.;	BRLMs	Edelweiss

Sr. No	Activity	Responsibility	Co-ordinator
	• Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres		
10.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	ICICI Securities
11.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	ICICI Securities
12.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	ICICI Securities

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Trustees

As this is an Offer of Equity Shares, the appointment of trustees is not required.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

S**CSBs and mobile applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Expert to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 11, 2020 from S R B C & CO LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated November 5, 2020 on our Restated Financial Statements; and (ii) their report dated November 8, 2020 on the statement of possible special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated November 6, 2020, from the independent chartered engineer, namely Philip Kuriakose (registration number: M122505-1), to include his name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his two certificates each dated November 6, 2020 certifying the capacity utilisation of the manufacturing facility at Kochi for liquid paints (comprising emulsion paints, primers and other products, as applicable) and the capacity utilisation of the manufacturing facility at Pudukkottai for liquid paints (comprising enamels, primers, wood coatings and others, as applicable) and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated November 6, 2020, from the independent chartered engineer, namely Satendra Singh Yadav (registration number: M-1548217), to include his name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his certificate dated November 6, 2020 certifying the capacity utilisation of the manufacturing facilities at Jodhpur for liquid paints (comprising emulsion paints, distempers and primers) and powder paints and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated November 9, 2020 from an independent architect, namely, A. Lokhandwalla (membership no. CA/78/4430) and an independent certified engineer, namely, Satish Patankar (registration no. M1Z6575-4) to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an architect and as a certified engineer, respectively, in relation to the certificate dated November 9, 2020 issued by them, for and on behalf of EVL Consultants LLP, a project consultancy firm, certifying, among others, the capacity of the plant to be installed, proposed schedule of implementation, details of civil works, in relation to the proposed expansion of the existing manufacturing facility at Pudukkottai and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, and which will either be included in the Red Herring Prospectus or will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and Pune editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 337.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

For further details, see "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" on pages 329, 334 and 337, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORISED SHARE CAPITAL**(1)		
	49,695,500 Equity Shares (having face value of ₹ 10 each)	496,955,000	
	69,904 Series A1 CCCPS (having face value of ₹ 100 each)	6,990,400	
	46,586 Series A2 CCCPS (having face value of ₹ 100 each)	4,658,600	
	130,865 Series B CCCPS (having face value of ₹ 100 each)	13,086,500	
	15,830,950 Series C CCCPS (having face value of ₹ 10 each)	158,309,500	
	2,000,000 preference shares (having face value of ₹ 10 each)	20,000,000	
	Total	**700,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF PREFERENCE SHARES**		
	29,022,175 Equity Shares (having face value of ₹ 10 each)	290,221,750	[●]
	69,904 Series A1 CCCPS (having face value of ₹ 100 each)(2)	6,990,400	
	46,586 Series A2 CCCPS (having face value of ₹ 100 each)(2)	4,658,600	
	130,865 Series B CCCPS (having face value of ₹ 100 each)(2)	13,086,500	
	15,830,720 Series C CCCPS (having face value of ₹ 10 each)(2)	158,307,200	
	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER POST THE CONVERSION OF PREFERENCE SHARES		
	45,100,250(2)	451,002,500	[●]
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**(2)		
	Offer of up to [●] Equity Shares(3)(4)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares(3)	[●]	3,000 million
	Offer for Sale of up to 5,840,000 Equity Shares(4)	58,400,000	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (having face value of ₹ 10 each)	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		977.93 million
	After the Offer		[●] million

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on pages 177-178.*

(2) *69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 74,55,360 Series C CCCPS held by Sequoia IV will be converted to 69,904 Equity Shares, 46,586 Equity Shares, and 74,55,360 Equity Shares, respectively. 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 Equity Shares and 8,375,360 Equity Shares, respectively. The conversion of the Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(3) *The Fresh Issue has been authorised by a resolution of our Board of Directors at their meeting held on September 29, 2020, and a special resolution passed by our shareholders at their meeting held on October 7, 2020. Each of the Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale. For further details, see "Other Regulatory and Statutory Disclosures" on page 312.*

(4) *The Equity Shares being offered by each of the Selling Shareholders have been held by such Selling Shareholder for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 312.*

Notes to the Capital Structure

I. Equity Share capital history of our Company

(a) The history of the Equity Share capital of our Company is set forth below:

Date of allotment of Equity Shares#	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
March 28, 2000	300	10	10	Initial subscription to the Memorandum of Association(1)	Cash	300	3000
May 1, 2000	100	10	10	Further issue(2)	Cash	400	4000
March 20, 2002	51,600	10	10	Further issue(3)	Cash	52,000	520,000
March 31, 2003	18,000	10	10	Further issue(4)	Cash	70,000	700,000
March 31, 2005	27,500	10	10	Further issue(5)	Cash	97,500	975,000
March 31, 2006	47,500	10	10	Further issue(6)	Cash	145,000	1,450,000
March 31, 2007	234,800	10	10	Further issue(7)	Cash	379,800	3,798,000
March 31, 2008	10,000	10	10	Further issue(8)	Cash	389,800	3,898,000
March 31, 2010	50,000	10	10	Further issue(9)	Cash	439,800	4,398,000
March 23, 2017	28,147,200	10	-	Bonus issue(10)	-	28,587,000	285,870,000
May 14, 2018	255,125	10	66.15	Allotment pursuant to ESOS 2014(11)	Cash	28,842,125	288,421,250
	3,250	10	106.15	Allotment pursuant to ESOS 2014(12)	Cash	28,845,375	288,453,750
April 29, 2019	9,750	10	66.15	Allotment pursuant to ESOS 2014(13)	Cash	28,855,125	288,551,250
	160,550	10	106.15	Allotment pursuant to ESOS 2014(14)	Cash	29,015,675	290,156,750
October 26, 2020	3,250	10	Pursuant to re-classification of Class A1 Equity Shares to ordinary Equity Shares (15)			29,018,925	290,189,250
October 26, 2020	3,250	10	Pursuant to re-classification of Class A2 Equity Shares to ordinary Equity Shares (16)			29,022,175	290,221,750

(1) *Allotment of 100 Equity Shares each to Hemant Jalan, Kamala Prasad Jalan and Anita Jalan pursuant to subscription to the Memorandum of Association.*

(2) *Allotment of 100 Equity Shares to Halogen Chemicals.*

(3) *Allotment of 31,600 Equity Shares to Anita Jalan and 20,000 Equity Shares to Halogen Chemicals.*

(4) *Allotment of 4,000 Equity Shares to Hemant Jalan and 14,000 Equity Shares to Halogen Chemicals.*

(5) *Allotment of 5,000 Equity Shares to Hemant Jalan and 22,500 Equity Shares to Anita Jalan.*

(6) *Allotment of 5,100 Equity Shares to Hemant Jalan, 5,200 Equity Shares to Anita Jalan, 37,100 Equity Shares to Halogen Chemicals and 100 Equity Shares to Jagdamba Chemicals Private Limited.*

(7) *Allotment of 50,000 Equity Shares to Hemant Jalan, 27,000 Equity Shares to Kamala Prasad Jalan, 22 Equity Shares to Anita Jalan, 5,078 Equity Shares to Halogen Chemicals, 127,700 Equity Shares to Tara Devi Jalan and 25,000 Equity Shares to Parag Jalan.*

(8) *Allotment of 5,000 Equity Shares to Hemant Jalan and 5,000 Equity Shares to Anita Jalan.*

(9) *Allotment of 30,000 Equity Shares to Hemant Jalan and 20,000 Equity Shares to Anita Jalan.*

(10) *Bonus issue of 10,080,000 Equity Shares to Hemant Jalan, 1,632,000 Equity Shares to Kamala Prasad Jalan, 6,880,000 Equity Shares to Anita Jalan, 4,881,792 Equity Shares to Halogen Chemicals, 1,600,000 Equity Shares to Parag Jalan, 1,861,952 Equity Shares to Tara Devi Jalan, 746,176 Equity Shares to Sequoia IV and 465,280 Equity Shares to SCII V, in the ratio of 64:1.*

(11) *Allotment of 19,500 Equity Shares to Manoj Ramakrishnan, 6,500 Equity Shares to Pradeep Mukalethu Gopipillai, 13,000 Equity Shares to Mahesh Jha, 6,500 Equity Shares to Kanchan Das, 9,750 Equity Shares to Suman Maji, 9,750 Equity Shares to Tarun Chakraborty, 16,250 Equity Shares to Anil Kumar Srivastava, 8,125 Equity Shares to Som P. Pathak, 16,250 Equity Shares to D. Ramakrishna, 13,000 Equity Shares to Anumita Verma (legal heir to Ratan Verma), 6,500 Equity Shares to Ashok Samal, 3,250 Equity Shares to Surinder Kumar Sharma, 13,000 Equity Shares to Satya Narayan Shukla, 9,750 Equity Shares to Pavan Sharma, 6,500 Equity Shares to Ankit Methi, 6,500 Equity Shares to Sunil Yadav, 32,500 Equity Shares to Chandra Mauli Rai, 19,500 Equity Shares to Paresh Nath Samanta, 13,000 Equity Shares to Chetan Humane, 13,000 Equity Shares to Swapnil Singasane, 6,500 Equity*

Shares to Milind Sarak and 6,500 Equity Shares to Onkarnath Jha.

(12) *Allotment of 3,250 Equity Shares to Anumita Verma (legal heir to Ratan Verma).*

(13) *Allotment of 6,500 Equity Shares to Manoj Ramakrishnan and 3,250 Equity Shares to Anil Kumar Srivastava.*

(14) *Allotment of 6,500 Equity Shares to Thundiyil Surendra Suresh Babu, 9,750 Equity Shares to Varghese Idicula, 74,750 Equity Shares to Narayanan Kutty Kottiedath Venugopal, 9,750 Equity Shares to Satish Paul, 4,875 Equity Shares to Sreenath V. K., 6,500 Equity Shares to Haridass Sridhar, 3,250 Equity Shares to Honey Babu Kattakkayam, 6,500 Equity Shares to Poteth Bhaskar Surendranadh, 4,875 Equity Shares to Raja B., 8,125 Equity Shares to Subhashis Kumar Dutta, 8,125 Equity Shares to Tadicherla Vinod Kumar, 2,275 Equity Shares to Vinu Thomas Varghese, 4,875 Equity Shares to Sanjiv Nair M., 4,875 Equity Shares to Mallikarjunarao B., 1,625 Equity Shares to Sushil Kumar Yadav, 1,950 Equity Shares to T. Sagar and 1,950 Equity Shares to Ravinder Kumar Tiwari.*

(15) *Pursuant to re-classification of 3,250 Class A1 Equity Shares to 3,250 ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, the 3,250 Class A1 Equity Shares held by Sequoia IV were re-classified to 3,250 ordinary Equity Shares.*

(16) *Pursuant to re-classification of 3,250 Class A2 Equity Shares to 3,250 ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, the 3,250 Class A1 Equity Shares held by Sequoia IV were re-classified to 3,250 ordinary Equity Shares.*

Records of form filings with the Registrar of Companies in relation to the allotments made by our Company from the date of incorporation till March 31, 2008 are not traceable. For further details, see "Risk Factors – Some of our corporate records are not traceable" on page 40.

(b) The history of Class A1 Equity Share capital of our Company is set forth below:

Date of allotment of Class A1 Equity Shares	Number of Class A1 Equity Shares allotted	Face value per Class A1 Equity Share (in ₹)	Issue price per Class A1 Equity Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Class A1 Equity Shares	Cumulative paid-up Class A1 Equity Share capital
August 19, 2014	50	10	4,288.53	Rights issue(1)	Cash	50	500
March 23, 2017	3,200	10	-	Bonus issue(2)	-	3,250	32,500
October 26, 2020	(3,250)	10	Pursuant to re-classification of Class A1 Equity Shares to ordinary Equity Shares (3)			-	-

(1) *Allotment of 50 Class A1 Equity Shares to Sequoia IV. In terms of the rights issue offer letter dated August 2, 2014, for one Equity Share held, the Shareholders were entitled to 0.0001 Class A1 Equity Shares. The Promoters elected not to subscribe to their respective right entitlement in respect of the Class A1 Equity Shares nor did they renounce their respective right entitlement in favour of any other person/entity.*

(2) *Bonus issue of 3,200 Class A1 Equity Shares to Sequoia IV, in the ratio of 64:1.*

(3) *Pursuant to re-classification of 3,250 Class A1 Equity Shares to 3,250 ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, the 3,250 Class A1 Equity Shares held by Sequoia IV were re-classified to 3,250 ordinary Equity Shares. For further details in relation to the Class A1 Equity Shares, see "History and Certain Corporate Matters" beginning on page 177.*

(c) The history of Class A2 Equity Share capital of our Company is set forth below:

Date of allotment of Class A2 Equity Shares	Number of Class A2 Equity Shares allotted	Face value per Class A2 Equity Share (in ₹)	Issue price per Class A2 Equity Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Class A2 Equity Shares	Cumulative paid-up Class A2 Equity Share capital
August 7, 2015	50	10	4,288.53	Preferential allotment(1)	Cash	50	500
March 23, 2017	3,200	10	-	Bonus issue(2)	-	3,250	32,500
October 26, 2020	(3,250)	10	Pursuant to re-classification of Class A2 Equity Shares to ordinary Equity Shares (3)			-	-

(1) *Allotment of 50 Class A2 Equity Shares to Sequoia IV.*

(2) *Bonus issue of 3,200 Class A2 Equity Shares to Sequoia IV, in the ratio of 64:1.*

(3) *Pursuant to re-classification of 3,250 Class A2 Equity Shares to 3,250 ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, the 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 3,250 ordinary Equity Shares. For further details in relation to the Class A2 Equity Shares, see "History and Certain Corporate Matters" beginning on page 177.*

II. Preference Share capital history of our Company

The history of the Preference Share capital of our Company is set forth below:

Date of allotment of Preference Shares	Number of Preference Shares allotted	Face value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Nature of allotment	Nature of consideration	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital
Series A1 CCCPS							
August 19, 2014	69,904	100	4,288.53	Rights issue(1)	Cash	69,904	6,990,400
Series A2 CCCPS							
August 7, 2015	46,586	100	4,288.53	Preferential allotment (2)	Cash	46,586	4,658,600
Series B CCCPS							
February 24, 2016	130,865	100	6,877.29	Rights issue(3)	Cash	130,865	13,086,500
Series C CCCPS							
March 23, 2017	15,830,720	10	-	Bonus issue(4)	-	15,830,720	158,307,200

(1) Allotment of 69,904 Series A1 CCCPS to Sequoia IV. In terms of the rights issue offer letter dated August 2, 2014, for one Equity Share held, the Shareholders were entitled to 0.16 Series A1 CCCPS. The Promoters elected not to subscribe to their respective right entitlement in respect of the Series A1 CCCPS nor did they renounce their respective right entitlement in favour of any other person/entity.

(2) Allotment of 46,586 Series A2 CCCPS to Sequoia IV.

(3) Allotment of 130,865 Series B CCCPS to SCII V. In terms of the rights issue offer letter dated January 14, 2016, for one Equity Share or one Class A1 Equity Share or one Class A2 Equity Share held, as applicable, the Shareholders were entitled to 0.30 Series B CCCPS. The Promoters and Sequoia IV elected not to subscribe to their respective right entitlement in respect of the Series B CCCPS nor did they renounce their respective right entitlement in favour of any other person/entity.

(4) Bonus issue of (i) 7,455,360 Series C CCCPS, in the ratio of 64:1, to Sequoia IV on 69,904 Series A1 CCCPS and 46,586 Series A2 CCCPS held by Sequoia IV; and (ii) 8,375,360 Series C CCCPS, in the ratio of 64:1 to SCII V on 130,865 Series B CCCPS held by SCII V.

69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 74,55,360 Series C CCCPS held by Sequoia IV will be converted to 69,904 Equity Shares, 46,586 Equity Shares, and 74,55,360 Equity Shares, respectively. 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 Equity Shares and 8,375,360 Equity Shares, respectively. The conversion of the Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

1. **Equity Shares issued for consideration other than cash or out of revaluation reserves**

Except as disclosed below, our Company has not issued Equity Shares, Class A1 Equity Shares, Class A2 Equity Shares, Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, or Series C CCCPS through bonus issue or for consideration other than cash:

Date of allotment	Number of securities allotted	Face value per security (₹)	Issue price per security (₹)	Reason for allotment	Benefits accrued to our Company
Equity Shares					
March 23, 2017	28,147,200	10	-	Bonus issue(1)	-
Class A1 Equity Shares*					
March 23, 2017	3,200	10	-	Bonus issue to Sequoia IV, in the ratio of 64:1	-
Class A2 Equity Shares*					
March 23, 2017	3,200	10	-	Bonus issue to Sequoia IV, in the ratio of 64:1	-
Series C CCCPS					
March 23, 2017	15,830,720	10	-	Bonus issue of Series C CCCPS to holders of Series A1 CCCPS, Series A2 CCCPS and Series B CCCPS(2)	-

(1) Bonus issue of 10,080,000 Equity Shares to Hemant Jalan, 1,632,000 Equity Shares to Kamala Prasad Jalan, 6,880,000 Equity Shares

to Anita Jalan, 4,881,792 Equity Shares to Halogen Chemicals, 1,600,000 Equity Shares to Parag Jalan, 1,861,952 Equity Shares to Tara Devi Jalan, 746,176 Equity Shares to Sequoia IV and 465,280 Equity Shares to SCII V, in the ratio of 64:1.

(2) Bonus issue of (i) 7,455,360 Series C CCCPS, in the ratio of 64:1, to Sequoia IV on 69,904 Series A1 CCCPS and 46,586 Series A2 CCCPS held by Sequoia IV; and (ii) 8,375,360 Series C CCCPS, in the ratio of 64:1 to SCII V on 130,865 Series B CCCPS held by SCII V.

[*]Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares. For further details in relation to the Class A1 Equity Shares and Class A2 Equity Shares, see "History and Certain Corporate Matters" beginning on page 177.

2. **Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013**

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

3. **Issue of Equity Shares under employee stock option schemes**

For details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the ESOS 2014, see "**-** *Equity Share capital history of our Company"* on pages 71-73.

4. **Equity Shares issued in the preceding one year below the Offer Price**

Our Company has not issued Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

5. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoter and Promoter Group	6	27,356,615	-	-	27,356,615	94.26	27,356,615	-	27,356,615	94.26	-	60.66		-		-	27,356,615
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C)	Non Promoter-Non Public	2	1,665,560	-	-	1,665,560	5.74	1,665,560	-	1,665,560	5.74	16,078,075*	39.34*		-		-	1,665,560
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**8**	**29,022,175**	**-**	**-**	**29,022,175**	**100.00**	**29,022,175**	**-**	**29,022,175**	**100.00**	**16,078,075**	**100.00**		**-**		**-**	**29,022,175**

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

6. **Details of equity shareholding of the major shareholders of our Company**:

a) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis^	Percentage of the Equity Share capital on a fully diluted basis (%)^
1.	Hemant Jalan	10,237,500	22.70
2.	Anita Jalan	6,987,500	15.49
3.	Halogen Chemicals	4,958,070	10.99
4.	Tara Devi Jalan	1,891,045	4.19
5.	Kamala Prasad Jalan	1,657,500	3.68
6.	Parag Jalan	1,625,000	3.60
7.	Sequoia IV#	8,534,960*	18.92*
8.	SCII V	9,208,675*	20.42*
	Total	**45,100,250**	**100.00**

^The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a shareholder and such number of Equity Shares which will result upon conversion of any Preference Shares held by such shareholder.

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares. For further details in relation to the Class A1 Equity Shares and Class A2 Equity Shares, see "History and Certain Corporate Matters" beginning on page 177.

b) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis^	Percentage of the Equity Share capital on a fully diluted basis (%)^
1.	Hemant Jalan	10,237,500	22.70
2.	Anita Jalan	6,987,500	15.49
3.	Halogen Chemicals	4,958,070	10.99
4.	Tara Devi Jalan	1,891,045	4.19
5.	Kamala Prasad Jalan	1,657,500	3.68
6.	Parag Jalan	1,625,000	3.60
7.	Sequoia IV#	8,534,960*	18.92*
8.	SCII V	9,208,675*	20.42*
	Total	**45,100,250**	**100.00**

^The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a shareholder and such number of Equity Shares which will result upon conversion of any Preference Shares held by such shareholder.

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares. For further details in relation to the Class A1 Equity Shares and Class A2 Equity Shares, see "History and Certain Corporate Matters" beginning on page 177.

c) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis^	Percentage of the Equity Share capital on a fully diluted basis (%)^
1.	Hemant Jalan	10,237,500	22.70
2.	Anita Jalan	6,987,500	15.49
3.	Halogen Chemicals	4,958,070	10.99
4.	Tara Devi Jalan	1,891,045	4.19
5.	Kamala Prasad Jalan	1,657,500	3.68
6.	Parag Jalan	1,625,000	3.60
7.	Sequoia IV#	8,534,960*	18.92*
8.	SCII V	9,208,675*	20.42*
	Total	**45,100,250**	**100.00**

^The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a shareholder and such number of Equity Shares which will result upon conversion of any Preference Shares held by such shareholder.

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#As of one year prior to the date of this Draft Red Herring Prospectus, Sequoia IV held (i) 3,250 Class A1 Equity Shares constituting 100% of the Class A1 Equity Share capital of our Company; and (ii) 3,250 Class A2 Equity Shares constituting 100% of the Class A2 Equity Share capital of our Company.

d) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share Capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares on a fully diluted basis^	Percentage of the Equity Share capital on a fully diluted basis (%)^
1.	Hemant Jalan	10,237,500	22.79
2.	Anita Jalan	6,987,500	15.55
3.	Halogen Chemicals	4,958,070	11.04
4.	Tara Devi Jalan	1,891,045	4.21
5.	Kamala Prasad Jalan	1,657,500	3.69
6.	Parag Jalan	1,625,000	3.62
7.	Sequoia IV#	8,453,060*	18.81*
8.	SCII V	9,120,275*	20.30*
	Total	**44,929,950**	**100.00**

^The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a shareholder and such number of Equity Shares which will result upon conversion of any Preference Shares held by such shareholder.

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#As of two years prior to the date of this Draft Red Herring Prospectus, Sequoia IV held (i) 3,250 Class A1 Equity Shares, constituting 100% of the Class A1 Equity Share capital of our Company; and (ii) 3,250 Class A2 Equity Shares, constituting 100% of the Class A2 Equity Share capital of our Company.

7. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 27,356,615 Equity Shares having face value of ₹ 10 each, constituting 94.26% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

a) Build-up of Promoters' Equity shareholding in our Company

The build-up of the Equity shareholding of our Promoters since incorporation of our Company is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
Hemant Jalan							
March 28, 2000	Initial subscription to the Memorandum of Association	100	Cash	10	10	0.00	[●]
March 31, 2003	Further issue	4,000	Cash	10	10	0.01	[●]
March 31, 2005	Further issue	5,000	Cash	10	10	0.02	[●]
March 31, 2006	Further issue	5,100	Cash	10	10	0.02	[●]
March 31, 2007	Further issue	50,000	Cash	10	10	0.17	[●]
March 31, 2008	Further issue	5,000	Cash	10	10	0.02	[●]
March 31, 2010	Further issue	30,000	Cash	10	10	0.10	[●]
March 31, 2010	Transfer from Jagdamba Chemicals Private Limited	100	Cash	10	10	0.00	[●]
November 21, 2014	Transfer from Tara Devi Jalan	60,000	Cash	10	10	0.21	[●]
April 13, 2016	Transfer to SCII V	(1,800)	Cash	10	6,877.29	(0.01)	[●]
March 23, 2017	Bonus issue in the ratio of 64:1	10,080,000	-	10	-	34.73	[●]
Sub-total (A)		**10,237,500**					
Anita Jalan							
March 28, 2000	Initial subscription to the Memorandum of Association	100	Cash	10	10	0.00	[●]
March 20, 2002	Further issue	31,600	Cash	10	10	0.11	[●]
March 31, 2005	Further issue	22,500	Cash	10	10	0.08	[●]
March 31, 2006	Further issue	5,200	Cash	10	10	0.02	[●]
March 31, 2007	Further issue	22	Cash	10	10	0.00	[●]
March 31, 2008	Further issue	5,000	Cash	10	10	0.02	[●]
March 31, 2010	Further issue	20,000	Cash	10	10	0.07	[●]
November 21, 2014	Transfer from Tara Devi Jalan	25,000	Cash	10	10	0.09	[●]
April 13, 2016	Transfer to SCII V	(1,922)	Cash	10	6,877.29	(0.01)	[●]
March 23, 2017	Bonus issue in the ratio of 64:1	6,880,000	-	10	-	23.71	[●]
Sub-total (B)		**6,987,500**					
Parag Jalan							
March 31, 2007	Further issue	25,000	Cash	10	10	0.09	[●]
March 23, 2017	Bonus issue in the ratio of 64:1	1,600,000	-	10	-	5.51	[●]
Sub-total (C)		**1,625,000**					
Kamala Prasad Jalan							

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/ transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)*	Percentage of the post-Offer capital (%)
March 28, 2000	Initial subscription to the Memorandum of Association	100	Cash	10	10	0.00	[●]
March 31, 2007	Further issue	27,000	Cash	10	10	0.09	[●]
April 13, 2016	Transfer to SCII V	(1,600)	Cash	10	6,877.29	(0.01)	[●]
March 23, 2017	Bonus issue in the ratio of 64:1	1,632,000	-	10	-	5.62	[●]
Sub-total (D)		**1,657,500**					
Tara Devi Jalan							
March 31, 2007	Further issue	127,700	Cash	10	10	0.44	[●]
October 8, 2014	Transfer to Sequoia IV	(11,659)	Cash	10	4,288.53	(0.04)	[●]
November 21, 2014	Transfer to Hemant Jalan	(60,000)	Cash	10	10	(0.21)	[●]
November 21, 2014	Transfer to Anita Jalan	(25,000)	Cash	10	10	(0.09)	[●]
April 13, 2016	Transfer to SCII V	(1,948)	Cash	10	6,877.29	(0.01)	[●]
March 23, 2017	Bonus issue in the ratio of 64:1	1,861,952	-	10	-	6.42	[●]
Sub-total (E)		**1,891,045**					
Halogen Chemicals							
May 1, 2000	Further issue	100	Cash	10	10	0.00	[●]
March 20, 2002	Further issue	20,000	Cash	10	10	0.07	[●]
March 31, 2003	Further issue	14,000	Cash	10	10	0.05	[●]
March 31, 2006	Further issue	37,100	Cash	10	10	0.13	[●]
March 31, 2007	Further issue	5,078	Cash	10	10	0.02	[●]
March 23, 2017	Bonus issue in the ratio of 64:1	4,881,792	-	10	-	16.82	[●]
Sub-total (F)		**4,958,070**					
Total (A+B+C+D+E+F)		**27,356,615**					

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are subject to any pledge.

b) *Shareholding of our Promoters and Promoter Group*

The details of shareholding of our Promoters as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer Number of Equity Shares	Percentage of the Pre-Offer Equity Share Capital (%)*	Post-Offer Number of Equity Shares	Percentage of the Post-Offer Equity Share Capital (%)
1.	Hemant Jalan#	10,237,500	35.27	[●]	[●]
2.	Anita Jalan	6,987,500	24.08	[●]	[●]
3.	Parag Jalan	1,625,000	5.60	[●]	[●]
4.	Kamala Prasad Jalan#	1,657,500	5.71	[●]	[●]

S. No.	Name of the shareholder	Pre-Offer Number of Equity Shares	Percentage of the Pre-Offer Equity Share Capital (%)*	Post-Offer Number of Equity Shares	Percentage of the Post-Offer Equity Share Capital (%)
5.	Tara Devi Jalan	1,891,045	6.52	[●]	[●]
6.	Halogen Chemicals	4,958,070	17.08	[●]	[●]
Total		**27,356,615**	94.26	**[●]**	**[●]**

**69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#Hemant Jalan and Kamala Prasad Jalan are also directors of our corporate Promoter, Halogen Chemicals.

None of the members of our Promoter Group hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

c) *Details of Promoters' Contribution and Lock-in*

In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters (assuming full conversion of the Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, Series C CCCPS and vested options, if any, under ESOS 2014 and ESOS 2019), shall be locked in for a period of three years from the date of Allotment and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment are set forth below.

Name of Promoter	Number of Equity Shares locked-in(1)(2)	Date of allotment/ transfer*	Nature of transaction	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share Capital
[●]	[●]	[●]	[●]	10	[●]	[●]	[●]

* *Subject to finalisation of Basis of Allotment*
(1) *For a period of three years from the date of Allotment*
(2) *All Equity Shares were fully paid-up at the time of allotment/transfer*

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- *History of the Equity Share Capital held by our Promoters*" on pages 78-80.

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; (b) Equity Shares that have resulted from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Promoters' contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company;

(iv) The Equity Shares held by the Promoters and offered for Promoters' contribution are not subject to any pledge; and

(v) All the Equity Shares held by the Promoters are held in dematerialised form.

d) Details of Equity Shares locked-in for one year:

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for three years as specified above, in terms of Regulation 16(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, except for (i) the Equity Shares sold pursuant to the Offer for Sale; (ii) any Equity Shares allotted to the employees of our Company under the ESOS 2014 and ESOS 2019, as applicable; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such shareholders. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

However, the relevant lock in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

e) Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

8. Except for the issue of any Equity Shares pursuant to exercise of options granted under ESOS 2014 and ESOS 2019, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

9. As on the date of filing of this Draft Red Herring Prospectus, the total number of shareholders of our Company is 8.

10. Our Promoters, any member of our Promoter Group, any of the directors of Halogen Chemicals, any of the Directors of our Company or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

11. There have been no financing arrangements whereby members of our Promoter Group, any of the directors of Halogen Chemicals, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

12. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of

Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.

13. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.

14. All Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

15. Except for the Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, Series C CCCPS issued and the options granted pursuant to ESOS 2014 and ESOS 2019, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

16. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

17. Our Promoters and Promoter Group shall not participate in the Offer, except by way of participation as Selling Shareholders, as applicable, in the Offer for Sale.

18. Except for any exercise of options vested pursuant to ESOS 2014 and ESOS 2019 or issuance of Equity Shares upon conversion of the outstanding Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

19. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

20. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

21. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction

ESOS 2014

22. Our Company, pursuant to the resolutions passed by our Board on November 13, 2014 and our Shareholders on December 6, 2014, adopted the ESOS 2014. As on the date of this Draft Red Herring Prospectus, there are no outstanding options which are to be granted under ESOS 2014.

The details of the ESOS 2014, as certified by M/s Komandoor & Co LLP, Chartered Accountants, through a certificate dated November 10, 2020 are as follows:

Particulars	**Details**			
Options granted	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
	39,000	-	-	-
	Cumulative options granted as on November 10, 2020: 906,750			
Number of employees to whom options were granted	10	-	-	-

Particulars	Details			
Options vested	-	102,375	39,000	-
	Cumulative options vested as on November 10, 2020: 455,325			
Options exercised	-	258,375	170,300	-
	Cumulative options exercised as on November 10, 2020: 428,675			
Options forfeited/ lapsed/ cancelled	-	-	-	-
Options outstanding (including vested and unvested options)	884,000	625,625	455,325	455,325
Exercise price of options - weighted average exercise price per option (in ₹)	-	66.66	106.15	-
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-	5,86,625	4,55,325	4,55,325
Variation in terms of options	Nil	The vesting period was reduced to 1 year, 4 months	Nil	Nil
Money realised by exercise of options (in ₹ million)	Nil	17.22	17.69	Nil
Total number of options in force (excluding options not granted)	-	586,625	455,325	455,325
Employee wise details of options granted to				
(i) Key Managerial Personnel	Nil	Nil	Nil	Nil
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	**Name of employee**		**Total number of options granted in Financial Year 2017-18**	
	Sajoy Bose		4,875	
	Vinu Thomas		4,875	
	Sajiv Nair		4,875	
	B Mallikarjuna Rao		4,875	
	Shital Arora		4,875	
	Sushil Yadav		4,875	
	Sujeet Kumar		3,900	
	T Sagar		1,950	
	Ravinder Tiwari		1,950	
	Anshad A A		1,950	
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted under the ESOS 2014 amounting to more than 1% of the issued capital of our Company to any employee in any year			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹)	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**

Particulars	Details			
	2.82	5.90	10.49	5.97
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	Not applicable, since Company has calculated the employee compensation cost using the fair value of the stock options (based on Black Scholes Valuation model)			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The Black Scholes valuation model has been used for computing the weighted average fair value. The following method and assumptions were used for computing the weighted average fair value:			
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
- Expected life of options (years)	3 years - 6 months	-	-	-
- Volatility (% p.a.)	30	-	-	-
- Risk Free Rate of Return (%)	7.30	-	-	-
- Dividend Yield (% p.a.)	0	-	-	-
- Exercise price per share (₹)	106.15	-	-	-
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
The weighted average share price on the date of grant (₹)	106.15	Nil	Nil	Nil
	The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.			
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
	Nil	Nil	Nil	Nil
Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	**Name of employee**			**Total number of options exercisable**
	Narayanan Kutty Kottiedath Venugopal			Up to 120,250
	Chetan Bhalchandra Humane			Up to 19,500
	Thundiyil Surendra Suresh Babu			Up to 19,500
	Varghese Idicula			Up to 22,750

Particulars	Details	
	Vinay Menon	Up to 13,000
	Satya Narayan Shukla	Up to 19,500
	Pavan Sharma	Up to 22,750
	Shinu Varghese	Up to 9,750
	Sridhar Haridass	Up to 3,250
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	Nil	

ESOS 2019

23. Our Company, pursuant to the resolutions passed by our Board on March 5, 2019 and our Shareholders on March 28, 2019, adopted the ESOS 2019, which was amended by our Company pursuant to resolutions passed by our Board on October 20, 2020 and our Shareholders on October 26, 2020. The ESOS 2019 is in compliance with the SEBI SBEB Regulations read with the circular bearing reference number CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by SEBI.

The details of the ESOS 2019, as certified by M/s Komandoor & Co LLP, Chartered Accountants, through a certificate dated November 10, 2020 are as follows:

Particulars	Details			
Options granted	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
	-	-	27,750	21,250
	Cumulative options granted as on November 10, 2020: 49,000			
Number of employees to whom options were granted	-	-	33	36
Options vested	-	-	-	-
	Cumulative options vested as on November 10, 2020: Nil			
Options exercised	-	-	-	-
	Cumulative options exercised as on November 10, 2020: Nil			
Options forfeited/ lapsed/ cancelled	-	-	-	500
Options outstanding (including vested and unvested options)	-	-	27,750	20,750
Exercise price of options - weighted average exercise price per option (in ₹)	-	-	10	10
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	-	-	-	-

Particulars	Details			
Variation in terms of options	Nil	Nil	Nil	Vesting period revised to 48 months and exercise period mentioned as 36 months
Money realised by exercise of options (in ₹ million)	Nil	Nil	Nil	Nil
Total number of options in force (excluding options not granted)	-	-	27,750	48,500
Employee wise details of options granted to				
(i) Key Managerial Personnel	**Name of Key Managerial Personnel**		**Total number of options granted in Financial Year 2020-21**	
	Srihari Santhakumar		1,500	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	**Name of employee**		**Total number of options granted in Financial Year 2019-20**	
	B Sanal Kumar		3,000	
	N K Sharma		3,000	
	Jaydev Bachchhe		1,500	
	Altaf Pathan		1,500	
	Name of employee		**Total number of options granted in Financial Year 2020-21**	
	Nikhil John		1,000	
	Swapnil Singasane		1,000	
	Srihari Santhakumar		1,500	
	Ajay Dubey		1,000	
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No options were granted under the ESOS 2019 amounting to more than 1% of the issued capital of our Company to any employee in any year			
Fully diluted EPS on a pre-Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹)	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
	2.82	5.90	10.49	5.97
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
- Reduction in compensation cost due to use of intrinsic value of options instead of fair value of options (in ₹ million)	-	-	0.19	0.01
- Increase in profit (in ₹ million)	-	-	0.19	0.01
- Impact on EPS	-	-	Not material	Not material

Particulars	Details			
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations in respect of options granted in the last three years	**Financial Year 2017-18**	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
	Nil	Nil	Nil	Nil
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The Black Scholes valuation model has been used for computing the weighted average fair value. The following method and assumptions were used for computing the weighted average fair value:			
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
- Expected life of options (years)	-	-	5	5
- Volatility (% p.a.)	-	-	27-30	30
- Risk Free Rate of Return (%)	-	-	6.90	5.10
- Dividend Yield (% p.a.)	-	-	0	0
- Exercise price per share (₹)	-	-	10.00	10.00
	Financial Year 2017-18	**Financial Year 2018-19**	**Financial Year 2019-20**	**For the period from April 1, 2020 till November 10, 2020**
The weighted average share price on date of grant (₹):	Nil	Nil	242.98	612.96
	The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.			
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	Nil	Nil	Nil	Nil
Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any	Not applicable since vesting period will be 48 months from the date of grant			
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee	Not applicable since vesting period will be 48 months from the date of grant			

Particulars	Details
stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

The Fresh Issue

Requirement of funds

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Funding capital expenditure for expansion of the existing manufacturing facility at Pudukkottai, Tamil Nadu (the "**Proposed Expansion**") by setting-up an additional unit (the "**Additional Unit**") adjacent to the existing facility;

2. Purchase of tinting machines and gyroshakers;

3. Repayment/prepayment of all or certain of our borrowings; and

4. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (₹ in million)
Gross Proceeds of the Fresh Issue	3,000.00
(Less) Offer related expenses in relation to the Fresh Issue(1)	[●]
Net Proceeds(1)	[●]

(1)To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in million)
Funding capital expenditure for the Proposed Expansion	1,500.00
Purchase of tinting machines and gyroshakers	500.00
Repayment/prepayment of all or certain of our borrowings	250.00
General corporate purposes(1)	[●]
Total	[●]

(1)To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(₹ in million)

Particulars	Total estimated cost	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds			
			Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Funding capital expenditure for the Proposed Expansion(1)	1,855.49	1,500.00(2)	100.00	1,300.00	100.00	-
Purchase of tinting machines and gyroshakers	500.13	500.00	-	141.58(3)	171.93(3)	186.50(3)
Repayment/prepayment of certain borrowings of our Company	-	250.00	250.00	-	-	-
General corporate purposes(4)	-	[●]	[●]	[●]	[●]	[●]
Total	**2,355.62**	[●]	[●]	[●]	[●]	[●]

(1) *No amounts have been deployed by our Company towards this object. The costs incurred by our Company for acquisition of land required to set up the Additional Unit do not form part of the total estimated cost of the Proposed Expansion.*

(2) *The remaining cost of ₹ 355.49 million will be funded from internal accruals by our Company.*

(3) *The amount to be deployed in Fiscal 2021, 2022 and 2023 aggregates to ₹ 500.13 million, however, our Company will deploy ₹ 500.00 million towards this object and the remaining amount of ₹ 0.13 million will be deployed from our internal accruals.*

(4) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical capital expenditure may not be reflective of our future capital expenditure plans.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, due to the reasons stated above, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Fresh Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations. For details on risks involved, see "*Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on page 29.

Means of finance

Other than (i) ₹ 355.49 million in relation to the Proposed Expansion and (ii) ₹ 0.13 million in relation to the purchase of tinting machines and gyroshakers, to be deployed from our internal accruals over a period of Fiscals 2021, 2022, 2023 and 2024, as applicable, we propose to meet the requirement of funding capital expenditure for the Proposed Expansion entirely out of the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

Details of the Objects

I. Funding capital expenditure for the Proposed Expansion

According to the F&S Report, the consumption of water-based paints is rising, and the demand is expected to remain high as the Indian paint manufactures are switching from solvent-based to water-based paints. Leveraging our experience and expertise, we seek to capitalize on these growth opportunities and intend to expand our manufacturing capacities at our existing facility at Pudukkottai in Tamil Nadu (the "**Pudukkottai Facility**"), by setting up the Additional Unit, adjacent to the existing Pudukkottai Facility, to manufacture water-based paints to cater to the growing demand for these paints. We acquired the Pudukkottai Facility in Fiscal 2016 through the acquisition of Hi-Build Coatings Private Limited. As of September 30, 2020, our Pudukkottai Facility had an installed estimated production capacity of 13,658 KLPA. We manufacture solvent-based enamels and primers, and wood coatings (both solvent-based and water-based) and certain other products at our Pudukkottai Facility. The leasehold land of Pudukkottai Facility admeasures 29,258.77 square metres located at plot no. 4-A/3 in the SIPCOT Industrial Complex in Vellanur Taluk of Kulathur, Pudukkottai. In addition, we hold freehold land admeasuring 1,296.17 square meters located at old survey number 323-1 and new survey number 323-1B, Vellanur Taluk of Kulathur, Pudukkottai. The proposed installed production capacity of the Additional Unit is 50,000 KLPA and it is expected to be operational during Fiscal 2023. For further details on our strategy on such proposed expansion, see "*Our Business – Our Strategies – Expand our manufacturing capacities*" on page 160.

Land

The Additional Unit is being set-up on the land parcels owned and possessed by us on a freehold basis (and no encumbrance has been created on such land parcels) and are adjacent to our existing manufacturing unit in Pudukkottai. For the purposes of setting-up the Additional Unit, we acquired two land parcels admeasuring (i) 11,220 square metres located at S.F. 325/5, Vellanur Village, Kulathur Taluk, Pudukkottai, and (ii) 12,151.62 square metres located at S.F. 325/1, Vellanur Village, Kulathur Taluk, Pudukkottai, respectively, from a third party vendor, K. Visalakshi, for an aggregate consideration of ₹ 10.06 million as provided in and pursuant to the sale deed dated July 29, 2020 entered into by and between our Company and the vendor, K. Visalakshi. In addition, we acquired another land parcel admeasuring approximately 44,272.61 square metres located at Survey No. 17-2, Patta no. 497, Panampatti Village, Illupur Taluk, Pudukkottai, from M.L. Muthuraman Chettiar, for an aggregate consideration of ₹ 22.89 million as provided in and pursuant to the sale deed dated October 7, 2020 entered into by and between our Company and a third party vendor, M.L. Muthuraman Chettiar. In addition to the abovementioned consideration in respect of the two land parcels, we have also incurred certain additional costs, including in relation to the stamp duty payment, registration charges, survey fees and other miscellaneous fees. We are currently in possession of these land parcels which were acquired by our Company out of our internal accruals and are registered in our name and costs incurred for acquisition of such land parcels do not form part of the total estimated cost of the Proposed Expansion.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in this acquisition of the land parcels.

Estimated cost

The total estimated cost of the Proposed Expansion is ₹ 1,855.49 million, as certified on behalf of EVL Consultants LLP, a project consultancy firm ("**EVL Consultants**"), by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer pursuant to its certificate dated November 9, 2020. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. The detailed break-down of estimated cost is set forth below:

(₹ million)

Sr. no.	Particulars	Estimated cost*
1.	Building and civil work	670.00
2.	Plant and machinery	950.14
3.	Utilities	144.72
4.	Consultancy fees	51.42
5.	Miscellaneous	39.21
Total		**1,855.49**

**Certified on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer pursuant to its certificate dated November 9, 2020. The total estimated cost does not include payments made by our Company towards the acquisition of land on which the Additional Unit is intended to be set up.*

Means of Finance for the Proposed Expansion

The total estimated cost for the Proposed Expansion is ₹ 1,855.49 million. We intend to fund the cost of the Proposed Expansion as follows:

(₹ million)

Source of fund	Total estimated cost
Net Proceeds	1,500.00
Internal accruals	355.49
Total	**1,855.49**

We propose that any subsequent initial expenditure in relation to the Proposed Expansion will be funded from our internal accruals until the Net Proceeds are available to our Company.

Building and civil work

Building and civil works for the Proposed Expansion include site development and construction and engineering related work including building the foundation, structure, roof, doors and windows, drainage and sewerage system and electrical planning and equipment. The total estimated cost for building and civil works for the Proposed Expansion is ₹ 670.00 million pursuant to the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer.

Plant and machinery

Our Company has identified the plant and machinery to be purchased and obtained quotations from respective vendors. The amount to be spent and plant and machinery to be procured by our Company will depend upon business requirements and technology advancement. We propose to utilize ₹ 950.14 million towards purchasing plant and machinery. The plant and machinery to be purchased includes installation of storage tanks, conveyor systems, mixer tanks, twin shafts and other items which will be utilised for the purposes of setting up of the Additional Unit.

Utilities

We propose to utilise ₹ 144.72 million towards utilities including, reverse osmosis plant, ultraviolet sterilizer system for process water flow rate, water softener plant and screw chillers. Such utilities are in addition to the existing utilities used for the purposes of the existing plant.

Consultancy fees

We propose to utilise ₹ 51.42 million towards consultancy charges payable to EVL Consultants, engaged for the purposes of providing consultation in relation to the Proposed Expansion.

Miscellaneous

We propose to utilise ₹ 39.21 million towards other miscellaneous charges including purchase and installation of rack storage, fork lifts, battery operated pallet truck, electrical stacker, pallets and auto lift.

An indicative list of activities included in the building and civil works, plant and machinery, utilities, consultancy charges and other miscellaneous expenses that we intend to fund from the Net Proceeds, along with details of the quotations we have received in this respect is as follows. The details set out below are certified on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer, through its certificate dated November 9, 2020.

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
Plant and machinery								
1.	Ystral Conti TDS-5 (Transport & Dispersion System)	Ystral Powder Wetting and Dispersing Machine with accessories in Non-ex version (including additional expenses)	18.78*	2	37.56*	Ystral GMBH	October 6, 2020	January 6, 2021
2.	Intermediate tanks for Conti TDS-5	Twin Shaft Slow Speed Mixer – 6500 Litres (With scrapper)	3.85	4	15.40	Abigail Enterprises Private Limited	October 7, 2020	January 31, 2021
3.	TSD ("**Twin Shaft Dispersor**")	Twin Shaft Co-Axail Mixer – 6500 Litres	3.55	1	3.55	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
4.	TSD	Twin Shaft Co-Axail Mixer – 3000 Litres	2.15	1	2.15	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
5.	TSD	Twin Shaft Co-Axail Mixer – 1000 Litres	1.45	2	2.90	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
6.	Day tanks for liquid RM's	Storage Tank – 1000 Litres	0.15	6	0.90	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
7.	Day tanks for liquid RM’s	Storage Tank – 2000 Litres	0.20	7	1.40	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
8.	Day tanks for liquid RM's	Storage Tank –3000 Litres	0.28	5	1.40	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
9.	Day tanks for liquid RM's	Storage Tank – 5000 Litres	0.36	3	1.08	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
10.	Portable vessels/ blenders for metallic emulsions	Portable Vessels – 1000 Litres	0.18	4	0.72	Abigail Enterprises Private Limited	September 10, 2020	January 31, 2021
11.	Let down tanks	Mixer Tank with Agitator (20 KL), MTIG – 22	3.90	6	23.40	GMM Pfaudler	September 11, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
						Limited		
12.	Let down tanks	Mixer Tank with Agitator (10 KL), MTIG – 15	2.80	8	22.40	GMM Pfaudler Limited	September 11, 2020	January 31, 2021
13.	Let down tanks – for 5 KL TSD	Mixer Tank with Agitator (5 KL), MTIG – 11	2.20	2	4.40	GMM Pfaudler Limited	September 11, 2020	January 31, 2021
14.	Let Down Tanks for 2 KL TSD	Mixer Tank with Agitator (2 KL), MTIG – 7.5	1.80	4	7.20	GMM Pfaudler Limited	September 11, 2020	January 31, 2021
15.	Packing lines for 20KL / 10KL	One x 8 Head Gravimetric Automatic Filling Machine	13.28 (subject to variation of 5% to 10 % depending upon bought out and import material situation)	3	39.84	Mount Packaging Machinery Pvt. Ltd.	October 9, 2020	January 30, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
16.	Packing Lines for 4KL / 1KL	One Mount Packaging Automatic Water Base Twin Track Paint Filling System	27.29 (subject to variation of 5% to 10 % depending upon bought out and import material situation)	2	54.58	Mount Packaging Machinery Pvt. Ltd.	October 8, 2020	January 30, 2021
17.	Self-cleaning filters for packing lines + spares	SIVTEK Self-Cleaning Filter Machine Model SF 1600)	1.06	5	5.30	Galaxy Sivtek Pvt. Ltd.	September 21, 2020	January 31, 2021
18.	Pug Mill – 5T	Ribbon blender (pug mill), double chamber type S.S. with separate drive (gross volume-approx. 5500 litres, batch capacity – approx. 5000 to 5500 kgs)	2.82	2	5.64	Wel-Fab & Engineers	September 8, 2020	January 31, 2021
19.	Pug Mill – 3T	Ribbon blender (pug mill), double chamber type S.S. with separate drive (gross volume - approx. 3250 litres, batch	1.70	1	1.70	Wel-Fab & Engineers	September 8, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
		capacity – approx. 3000 kgs)						
20.	Dust Collector System	Dust Collection System	3.25	1	3.25	Saitech Hvac Projects (P) Ltd.	September 18, 2020	January 31, 2021
21.	Scrubber system above TSDs/Let Down Tanks	Scrubber System	4.70	1	4.70	Saitech Hvac Projects (P) Ltd.	September 18, 2020	January 31, 2021
22.	Load cells for TSD	TWS 20 Ton Capacity – 20 Ton Readability – 5 KG Class – III	0.90	8	7.20	Raj India Digitronix (Mettler-Toledo India Private Limited)	September 19, 2020	January 31, 2021
23.	Load cells for Let Down Tanks	TWS 40 Ton Capacity – 40 Ton Readability – 1- KG Class – III	0.93	6	5.58	Raj India Digitronix (distributor of Mettler-Toledo India Private Limited)	September 19, 2020	January 31, 2021
24.	Load cells for Let Down Tanks	TWS 20 Ton Capacity – 20 Ton Readability – 5 KG	0.90	8	7.20	Raj India Digitronix (distributor	September 19, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
		Class – III				of Mettler-Toledo India Private Limited)		
25.	Load cells for TSD [3kl/1KL] and Load cell for Let Down tanks [5KL/2KL]	TWS 5000 SERIES Readability – 2 kg Capacity - 5000kg Class – III	0.35	9	3.15	Raj India Digitronix (distributor of Mettler-Toledo India Private Limited)	September 17, 2020	January 31, 2021
26.	Load cells for Day Tanks	TWS 5000 SERIES Readability – 2 kg Capacity - 5000kg Class – III With discharge valve	0.48	21	10.08	Raj India Digitronix (distributor of Mettler-Toledo India Private Limited)	September 17, 2020	January 31, 2021
27.	Diaphragm Pumps for Liquid RM transfer to Let Down Tanks	Supply of ARO INGERSOLL RAND Make Air Operated Double Diaphragm Pump 2” & 3”.	0.09	21	1.89	Maxtreme Engineering	October 21, 2020	January 31, 2021
28.	Diaphragm Pumps for Liquid	Supply of ARO INGERSOLL RAND Make Air Operated	0.125	32	4.00	Maxtreme	October 21,	January 31,

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
	RM transfer to Day Tanks	Double Diaphragm Pump 2" & 3".				Engineering	2020	2021
29.	Rack storage for Barrels/Drums	Drum Storage: 400 Pallet Capacity	0.62	1	0.62	Indo-Built Storage Systems Pvt. Ltd.	September 10, 2020	January, 2021
30.	Robotic Palletisers	Filling Line Conveyor System	The quotation does not provide for cost per unit.	5	89.80	ATS Conveyors India Pvt. Ltd.	October 19, 2020	January 31, 2021
31.	Pallet conveyor from packing lines to ASRS	Filling Line Conveyor System	The quotation does not provide for cost per unit.	1		ATS Conveyors India Pvt. Ltd.	October 19, 2020	January 31, 2021
32.	Pallet Destackers with chain conveyor (for pallets returning from ASRS)	Filling Line Conveyor System	The quotation does not provide for cost per unit.	1		ATS Conveyors India Pvt. Ltd.	October 19, 2020	January 31, 2021
	RMG (Raw Materials Goods) /SILO area							

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
33.	Day Bins 50 cu.m. capacity in lieu of silos	Day Bins of approx. 50m3 capacity	The quotation does not provide for cost per unit.	The quotation does not provide for quantity.	340.00	Zeppelin SystemsIndia Pvt. Ltd.	October 07, 2020	January 31, 2021
34.	Gantry Cranes/Hoists with erection and commissioning	3T X 15Mtrs Span Single Girder EOT Crane	1.04	1	1.04	S Cranes Engg. Works	September 16, 2020	January 31, 2021
35.	Gantry Cranes/Hoists with erection and commissioning	3T X 12Mtrs Span Single Girder EOT Crane	0.99	2	1.98	S Cranes Engg. Works	September 16, 2020	January 31, 2021
36.	Monorail- for Equipment lifting	15T x 6Mtrs Lift Wire rope hoist with Electric Trolley	0.64	1	0.64	S Cranes Engg. Works	September 16, 2020	January 31, 2021
	Tank farm area							
37.	Storage tanks in tank farm	Fabrication of 100 KL Tank	2.77	10	27.70	TechsIndia Company	October 21, 2020	January 30, 2021
38.	Storage tanks in tank farm	Fabrication of 50 KL Tank	1.83	6	10.96	TechsIndia Company	October 21, 2020	January 30, 2021
	Automatic storage and retrieval system (ASRS)							

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
39.	Automatic storage & retrieval system (ASRS) for pallets in Finished goods godown inclusive of: Racking System, Automated Stacker Crane, Metal Pallets, Electro Mechanical Aisle equipment, Conveyor system, etc., Hardware ,Installation & Commissioning	ASRS System	198.97	1	198.97	Godrej Consoveyo Logistics Automotion Limited	October 20, 2020	January 31, 2021
Plant and machinery – total cost					**950.14******			
				Miscellaneous items				
40.	Rack storage for RMG	G+5 Manual Racking for RM Material Storage	2.82	1	2.82	Godrej Consoveyo Logistics Automotion Limited	October 20, 2020	January 31, 2021
41.	Fork Lifts for ASRS/RMG	Electric Forklift for handling 2 Ton of Pallet	0.90	4	3.60	Godrej Consoveyo Logistics Automotion Limited	October 20, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
42.	BOPTs for ASRS/RMG	Battery Operated Pallet Truck (BOPT) for handling 1 Ton of Pallet	0.55	3	1.65	Godrej Consoveyo Logistics Automotion Limited	October 20, 2020	January 31, 2021
43.	Electrical Stacker	Electric Stacker for handling 1.8 Ton of Pallet	1.00	2	2.00	Godrej Consoveyo Logistics automation Limited	October 20, 2020	January 31, 2021
44.	Pallets- GI	Metal Pallets	0.0056	1000	5.60	Godrej Consoveyo Logistics Automation Limited	October 20, 2020	January 31, 2021
45.	Auto lift to & from packing material stores	Stand alone Auto-lift With Infeed & Outfee Conveyor for 18m Height Operation, Automation Controls.	6.50	2	13.00	Godrej Consoveyo Logistics Automation Limited	October 20, 2020	January 31, 2021
46.	Manual racking for PM storage	G+2 Manual Racking for PM Material Storage	0.0041	400	1.64	Godrej Consoveyo Logistics Automation	October 20, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
						Limited		
47.	Goods lift/ elevator	2.5 Ton Goods Elevator with 4 stops without Machine Room as per specification	3.92	2	7.84	Kone Elevator India Pvt. Ltd.	September 11, 2020	September 10, 2021
48.	Lift/ elevator	8 Passenger Elevator with 4 stops without Machine Room as per specification – 282 – KONE I MonoSpace R20.1-1	1.06	1	1.06	Kone Elevator India Pvt. Ltd	September 11, 2020	September 10, 2021
Miscellaneous items – total cost					**39.21****			
Utilities								
49.	Reverse osmosis plant	Reverse Osmosis Plant of capacity – 10,000 litres per hours	1.57	2	3.14	El Aqua Engineering Concepts	September 11, 2020	January 31, 2021
50.	Ultra violet system for process water flow rate	Ultra-Violet Steriliser	0.37		0.74	El Aqua Engineering Concepts	September 11, 2020	January 31, 2021
51.	Water softener plant	Water Softener	0.21		0.21	El Aqua Engineering Concepts	September 11, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
52.	Screw Chillers	Screw Chillers	11.11		22.22	Blue Star Limited	October 19, 2020	March 2021
53.	Cooling towers	WCT-ST-W08 – 200 TR bottom, size = (2750x2750x3650) direct driver, fan=1800x4 leaf aluminium make motor =7.5 HP 710 RPM	0.20		0.4	World Cooling Tower	September 18, 2020	January 31, 2021
54.	Cooling towers	WCT – ST -W14 – 500 TR bottom, size = 4500x4500x4250 belt drivr, motor =15 HP 1400 RPM, Hindustan make fan size=3030x6 leaf FRP leap, aluminium hub	0.49		0.98	World Cooling Tower	September 18, 2020	January 31, 2021
55.	Air compressor – 1000 cfm with drier – with integrated Variable speed drive	FS Curtis make screw Lubricated, Silenced Version, Variable Frequency Drive Rotary Screw Air Compressor Model SEMV-215 Base Mounted Air Compressor having capacity FAD-Min 405.4 CFM & Max-1013.5 CFM @ 7 bar pressure coupled	2.95	2	5.90	Beetaair Solutions Private Limited	October 21, 2020	February 1, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
		with 215 Horse Power (160 kilowatt) TEFC Motor, IP 55,Class F Insulation, VFD Starter, Fully Automatic PLC control Panel with all standard accessories.						
56.	Air receivers	A Vertical Air Reciever Tank having capacity of 7.5 m3 (7500 liters) with standard fittings like Pressure Gauge, Safety Valve and Manual Drain Valve	0.29		1.16	Beetaair Solutions Private Limited	October 21, 2020	February 1, 2021
57.	Fire hydrant electrical driven pump	Fire Water Pumping System	13.18		13.18	Sterling and Wilson Private Limited	September 17, 2020	N.A.
58.	Fire hydrant diesel driven pump	Fire Water Pumping System				Sterling and Wilson Private Limited	September 17, 2020	N.A.
59.	Fire hydrant jockey pump	Fire Water Pumping System				Sterling and Wilson Private	September 17, 2020	N.A.

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
						Limited		
60.	Fire alarm system	Fire Detection and Alarm System	14.96		14.97	Sterling and Wilson Private Limited	September 17, 2020	N.A.
61.	Fire Extinguishers	Fire Extinguishers System	0.63	1	0.63	Sterling & Wilson Private Limited	September 17, 2020	N.A.
62.	Fire hydrant system	Fire hydrant system	17.49	1	17.49	Sterling & Wilson Private Limited	September 17, 2020	N.A.
63.	Sprinkler system for ASRS	Fire Water Sprinkler System	31.52	1	31.53	Sterling & Wilson Private Limited	September 17, 2020	N.A.
64.	Reverse Osmosis Water Storage Tanks with installation	GRP/SMC tank with HDG steel skid base [Size: 14x14x3mh (588kl gross and 529.2 kl effective)] with Assembly and Installation of	Tank – 6.40 Installation – 0.32	1	6.72	Devi Polymers Private Ltd.	October 10, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
		tank (HSN Code 998731)						
65.	Process water storage tank (Size: 8x7x2mh (112kl gross and 100.8 kl effective))	GRP/SMC tank with HDG steel skid base [Size: 8x7x2mh (112kl gross and 100.8 kl effective)] with Assembly and Installation of tank (HSN Code 998731)	Tank – 1.68 Installation – 0.08	1	1.76	Devi Polymers Private Ltd.	October 10, 2020	January 31, 2021
66.	Soft water storage tank	GRP/SMC tank with HDG steel skid base [Size: 8x7x2mh (112kl gross and 100.8 kl effective)] with Assembly and Installation of tank (HSN Code 998731)	Tank – 1.68 Installation – 0.08	1	1.76	Devi Polymers Private Ltd.	October 10, 2020	January 31, 2021
67.	Intermediate process water tank	GRP/SMC tank with HDG steel skid base [Size: 2x2x1.5mh (6kl gross and 5.2 kl effective)] with Assembly and Installation of tank (HSN Code 998731)	Tank – 0.23 Installation – 0.01	1	0.24	Devi Polymers Private Ltd.	October 10, 2020	January 31, 2021
68.	Intermediate process water tank	GRP/SMC tank with HDG steel skid base Size: 3x2x2mh (12kl gross & 10.8 kl effective) with Assembly and Installation	Tank – 0.38 Installation – 0.02	1	0.40	Devi Polymers Private Ltd.	October 10, 2020	January 31, 2021

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	**As per the quotation**						
		of tank (HSN Code 998731)						
69.	Effluent treatment plant	Effluent treatment plant with zero liquid discharge System	17.85	1	17.85	Enviro Desal Technologies Pvt. Ltd.	September 18, 2020	January 31, 2021
70.	Weigh bridges	Electronic Weighbridge (Pit less/Pit Type –60 T – 16 m x 3 m)	0.85	2	1.70	Kunal Enterprises	September 21, 2020	January 31, 2021
71.	Quality Assurance lab equipment / instruments	Lab Instruments		1	1.73	Aadarsh Technologies	October 20, 2020	January 31, 2021
Utilities – total cost					**144.72****			
Building and civil work								
72.	Civil works – all structure, roads, storm water drains, toilets and plumbing, earth filling, compound wall, etc.	Civil Works for proposed 50,000 kl paint project at Pudukkottai, Tamil Nadu			670.00	EVL Consultants	October 07, 2020	N.A.
Building and civil work – total cost					**670.00****			
73.	Consultant fee				51.42 (2.85% of total project	EVL Consultants LLP	September 21, 2020	N.A.

S. No.	Description of equipment / activity		Cost per unit (₹ in million)	Quantity	Amount (₹ in million)	Name of the vendor	Date of quotation	Validity
	As per the certificate dated November 9, 2020 issued on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer	As per the quotation						
					cost)			
Total estimated cost					**1,855.49****			

**Conversion rate: 1 Euro = ₹ 87.00 as on October 6, 2020 (date of the quotation).*
*** This represents the aggregate cost as certified on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer, in its certificate dated November 9, 2020. Aggregate costs arrived due to rounding off of quotations have not been considered.*
Certain quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, taxes and other government levies, as applicable, which will be paid from our internal accruals.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment in relation to the Proposed Expansion, according to the business requirements of such facilities and based on the estimates of our management. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For further details, see "*Risk Factors - We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements and for purchase of tinting machines and gyroshakers. We are yet to place orders for such capital expenditure and purchase of tinting machines and gyroshakers.*"

None of the orders for purchase of the machinery / equipment, as provided above, have been placed as on the date of this Draft Red Herring Prospectus. Accordingly, orders worth ₹ 1,855.49 million, which constitutes 100% of the total estimated costs in relation to the Proposed Expansion are yet to be placed. No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of building and civil works, acquisition of plant and machinery, utilities, or in the entities from whom we have obtained quotations in relation to such activities.

Proposed schedule of implementation

The expected schedule of implementation for the Proposed Expansion, as certified on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer pursuant to its certificate dated November 9, 2020 is as follows:

Particulars of activities	Estimated date of commencement	Estimated date of completion
Statutory clearances / approvals	October 1, 2020	January 15, 2021
Civil design and construction	October 1, 2020	January 31, 2022
Engineering and procurement	October 1, 2020	November 30, 2021
Erection of equipment and pre-commissioning activities	August 1, 2021	July 31, 2022
Commissioning	From August 1, 2022	-

Power and water

In relation to the Proposed Expansion, our Company has existing (i) power supply arrangement with the Tamil Nadu Generation and Distribution Corporation Ltd. ("**TNGDCL**") and (ii) water supply arrangement with SIPCOT. Our Company will obtain enhancements to the sanctioned electrical load from TNGDCL and water supply from SIPCOT prior to the commissioning of the expansion. Our Company may install borewells at the Additional Unit to supplement the requirement of water as and when required.

Government approvals

In relation to the Proposed Expansion, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as certified on behalf of EVL Consultants, by A. Lokhandwalla, an independent architect and Satish Patankar, an independent certified engineer pursuant to its certificate dated November 9, 2020.

Authorities	Initial approvals		Final approvals	
	Nature of approvals	Stage at which approvals are required	Nature of approvals	Stage at which approvals are required
Tamil Nadu Pollution Control Board	Consent to establish	Before start of construction	Consent to operate and authorisation for operating a facility for collection, storage and disposal of hazardous	Before commissioning

Authorities	Initial approvals		Final approvals	
	Nature of approvals	Stage at which approvals are required	Nature of approvals	Stage at which approvals are required
			waste	
Village Panchayat of Panampatti and Vellanur, Tamil Nadu	In-principle approval of the Proposed Expansion	Before start of construction	N.A.	N.A.
District Fire Officer, Fire Department, Tamil Nadu	In-principle approval of building layout and fire-fighting system	Before start of construction	Final approval	Before commissioning
Directorate of Town and Country Planning, Tamil Nadu	In-principle approval of building layout	Before start of construction	N.A.	N.A.
Electrical Inspector, Tamil Nadu	N.A.	N.A.	Approval of electrical safety	Before commissioning
Tamil Nadu Electricity Board	N.A.	N.A.	Sanction of electrical load	Before commissioning
Inspector of Factories, Tamil Nadu and Joint Director of Industrial Safety and Health, Thanjavur and Director of Industrial Safety and Health, Chennai	In-principle approval to construct, extend or take into use any building as a factory and approval of drawings for Proposed Expansion	Before placement of machineries	Certificate of stability and final approval	Before commissioning

Our Company has filed applications with the relevant authorities for seeking all initial approvals indicated in the column "initial approvals" set out in the above table. Our Company undertakes to file necessary applications with the relevant authorities for obtaining all final approvals as applicable, at the relevant stages as indicated in the column "final approvals" in the above table. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For further details on the pending applications in relation to the Proposed Expansion, see "*Government and other approvals – Approvals applied for in relation to our objects of the Offer i.e. proposed expansion of our Pudukkottai manufacturing facility by setting up of an additional unit adjacent to the existing facility*" and "*Risk Factors – Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns"* on pages 311 and 27-28, respectively.

II. Purchase of tinting machines and gyroshakers

Emulsions are the largest and among the fastest growing product segment within the Indian decorative paint industry (*Source: F&S Report*). The market for emulsions was valued at ₹ 163.9 billion in Fiscal 2019, and is expected to grow at a CAGR of 13.60% and amount to ₹ 309.5 billion by Fiscal 2024 (*Source: F&S Report*). Different shades of emulsion paints are produced through in-shop tinting machines present at dealer outlets. These tinting machines are unique to each paint manufacturer due to design specifications including with respect to colorants, emulsion bases, fan-decks or shade cards, and customized software applications. These tinting machines are a prerequisite for dealers who sell emulsion paints. During the last three fiscals, we installed an average of approximately 1,223 tinting machines every fiscal, and as of September 30, 2020, we had a total of 4,603 tinting machines across our network of dealers in India. As a result, revenue generated i.e. invoicing as per contracted price, from sales of our emulsion paints have grown from ₹ 1,858.56 million in Fiscal 2018 to ₹ 3,121.39 million in Fiscal 2020.

As part of our strategy, in order to increase distribution and sale of our emulsion products, we continue to invest in populating tinting machines with our dealers. We have been gradually leveraging our growing brand equity and adopting innovative means to provide tinting machines like tinting machines with inbuilt computers or tabs to achieve this. For further details on our strategy on populating tinting machines across our dealer network, see *"Our Business – Strategies -*

Deepen penetration in existing markets and expand presence in select new territories by populating tinting machines" on page 159.

We also place gyro shakers, i.e. a shaking machine, at outlets of our dealers that is used to ensure uniform distribution of colorants in the paint base to get a uniform shade. Products from the tinting machine are transferred to the gyro shaker for this purpose. While the tinting machines are unique to each paint manufacturer, gyro shakers are manufacturer-agnostic, and typically a dealer will have only one gyro shaker in an outlet.

Accordingly, in furtherance of the aforesaid, we intend to purchase tinting machines and gyroshakers for our dealer network across India and propose to utilise ₹ 500.00 million out of the Net Proceeds towards such purchase.

Our Company has been purchasing tinting machines and gyroshakers from Corob India Private Limited ("**Corob**") since Fiscal 2016. Our Company has entered into the supply agreement dated October 26, 2020 (the "**Supply Agreement**") with Corob for purchase of automatic tinting machines and gyroshakers. The Supply Agreement is valid until March 31, 2024. Brief details of the Supply Agreement are as follows:

a. *Tinting machines* –The purchase of tinting machines will include tablets ("**Tab**") and certain accessories;

b. *Gyroshakers* – Gyroshakers are designed with shutter, gyroscopic mixer and manual clamping;

c. *Minimum purchase* – Our Company has agreed to purchase a minimum of 4,200 units of tinting machines and 2,100 units of gyroshakers;

d. *Price and payment*– The ex-works price for each tinting machine, along with the Tab and accessories is ₹ 1,18,000 and for each gyroshaker is ₹ 33,216. The freight and taxation charges shall be over and above such price. For Fiscal 2021, the abovementioned price is fixed. Any further increase or decrease in the costs may result in increase or decrease in such ex-works price y-o-y in the range of 1.5% to 3% on the ex-works price. Such increase or decrease may be effective for a period from April 1, 2021 to March 31, 2024, pursuant to mutual agreement among our Company and Corob.

   Our Company has agreed that in the event our Company decides to discontinue the purchase of the tinting machines under the Supply Agreement, our Company shall compensate Corob for a fee along with applicable taxes, which is equivalent to the price paid by Corob to purchase the outsourced components (i.e. the Tab and the accessories) in bulk.

   The payments to Corob shall be required to be made by our Company within 60 days from the date of invoice;

e. *Warranty* – The tinting machines are covered under warranty period of 12 months from the date of installation or 14 months from the date of invoice, whichever is earlier. Such warranty covers parts with manufacturing defects only and excludes any electrical components. The Tab and accessories shall have an original equipment manufacturing warranty of 12 months from the purchase date. Once such warranty expires, extended warranty from a third-party service as agreed mutually among our Company and Corob will be applicable. The Supply Agreement does not provide for any warranty for gyroshakers.

While we propose to utilize ₹ 500.00 million from the Net Proceeds towards purchasing the tinting machines and gyroshakers, based on our current estimates, the specific number to be purchased by our Company will depend on our business requirements and such details to be purchased from the Net Proceeds will be suitably updated at the time of filing of the Red Herring Prospectus with the Registrar of Companies. An indicative list of tinting machines and gyroshakers that we intend to purchase from Corob from the Net Proceeds, along with the proposed schedule of deployment, have been set out below:

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024
Tinting machines			
Number of tinting machines (in units) (A)	1,045	1,283	1,378
Ex-works price per tinting machine# (in ₹ million) (B)	0.12	0.12	0.12
Total cost for purchase of tinting machines (A*B) (C)	123.31	151.34	162.54
Gyroshakers			
Number of gyroshakers (in units) (D)	550	620	725

Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024
Ex-works price per gyroshaker[#] (in ₹ million) (E)	0.03	0.03	0.03
Total cost for purchase of gyroshakers (D*E) (F)	18.27	20.59	24.08
Total cost (C + F)*	**141.58**	**171.93**	**186.50***

 # This does not include any increase or decrease in price as provided under "- Price and payment" on page 113. Ex-works refers to the price of the product excluding the transportation costs, which will be borne by our Company.
**The total cost aggregates to ₹ 500.13 million, however, our Company will deploy ₹ 500.00 million towards this object and the remaining amount of ₹ 0.13 million will be deployed from our internal accruals.*

None of the orders for purchase of the tinting machines and gyroshakers, as provided above, have been placed as on the date of this Draft Red Herring Prospectus. Accordingly, orders worth ₹ 500.13 million, which constitutes 100% of the total estimated costs in relation to the purchase of tinting machines and gyroshakers are yet to be placed. No second-hand or used machine is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be purchased in a ready-to-use condition.

III. Repayment/pre-payment of all or certain of our borrowings

Our Company has entered into financing arrangements for availing terms loans and working capital loans. For disclosure of our borrowings as at September 30, 2020 as required by Schedule III of the Companies Act, 2013, see "*Restated Financial Statements – Annexure VII – Notes to Restated Ind AS Summary Statement – Note 13*" beginning on page 244. Also see "*Financial Indebtedness*" beginning on page 267.

We may repay or refinance some loans set out in the table below, prior to Allotment. In such a situation, we may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans.

We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/pre-paid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, and (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion in new projects. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

We propose to utilise an amount of ₹ 250.00 million from the Net Proceeds towards repayment or prepayment, in part or full, of certain borrowings listed in the table below. The following table provides details of certain borrowings availed by us which are outstanding as on September 30, 2020, out of which we may repay or prepay, in full or in part, any or all of the borrowings from the Net Proceeds:

Name of Bank/ Financial institution	Nature of borrowing	Principal loan amount sanctioned as on September 30, 2020 (Rs. in million)	Principal loan amount disbursed as on September 30, 2020 (Rs. in million)	Principal loan amount outstanding as on September 30, 2020 (Rs. in million)	Interest rate (% per annum)	Repayment schedule	Purpose for which disbursed loan amount was utilised*
HDFC Bank	Term loan I	330.00	330.00	226.08	9.80 % (MCLR + 140 bps)	Loan is repayable in 60 equal monthly instalments beginning from April 2019.	Capital expenditure
HDFC Bank	Term loan II	141.00	140.98	74.46	9.50 % (MCLR + 110 bps)	Loan is repayable in 60 equal monthly instalments beginning from August 2018.	Capital expenditure
Total	-	**471.00**	**470.98**	**300.54**	-	-	-

** In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the statutory auditor, certifying the utilization of loan for the purposes availed, our Company has obtained the requisite certificate.*

IV. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include strategic initiatives, funding growth opportunities, including acquisitions and meeting exigencies, brand building, meeting expenses incurred by our Company and strengthening of our manufacturing capabilities, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

The Offer related expenses primarily include fees payable to the Book Running Lead Managers and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (i) the listing fees, which will be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, if any, which shall be solely borne by such Selling Shareholder, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account. In the event the Offer is not successfully completed and/or withdrawn and/or abandoned, all such cost and expenses shall be borne by our Company. The estimated Offer related expenses are as under:

Activity	**Estimated expenses[(1)] (in ₹ million)**	**As a % of the total estimated Offer expenses[(1)]**	**As a % of the total Offer size[(1)]**
Book Running Lead Managers' fees	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs [(2)(3)(4)(5)]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(3) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Bidders**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(4) *The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:*

Sponsor Bank	*₹[●] per valid Bid cum Application Form* (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its*

	duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

**For each valid application*

(5) *Selling commission on the portion for Retail Individual Bidders, Eligible Employees and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

Our Company has appointed [●] as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, in accordance with the Companies Act, 2013, read with relevant rules.

The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale, none of our Promoters, Directors, KMPs or Promoter Group will receive any portion of the Offer Proceeds and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs or Promoter Group.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price. Investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Statements*" beginning on pages 154, 23, 271 and 206, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Track record of consistent growth in a fast growing industry with significant entry barriers;
- Differentiated products leading to greater brand recognition and enabling expansion into a complete range of decorative paint products;
- Focused brand-building initiatives to gradually build brand equity;
- Extensive distribution network for better brand penetration;
- Leveraged brand equity and distribution network to populate tinting machines;
- Strategically located manufacturing facilities with proximity to raw materials; and
- Well-qualified and professional management team with a committed employee base.

For details, see "*Our Business – Strengths*" on pages 155-158.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Statements. For details, see "*Restated Financial Statements*" beginning on page 206.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS") as adjusted for change in capital:

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2018	2.88	2.82	1
March 31, 2019	5.98	5.90	2
March 31, 2020	10.61	10.49	3
Weighted Average	7.78	7.68	
For six months ended September 30, 2020*	6.03	5.97	

**Not annualized*

(i) *Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per Share' prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirement of SEBI ICDR Regulations.*

(ii) *The ratios have been computed as below:*

$$\text{Basic earnings per share (Rs.)} = \frac{\text{Restated profit after tax}}{\text{Weighted average number of shares considered for calculating basic EPS}}$$

$$\text{Diluted earnings per share (Rs.)} = \frac{\text{Restated profit after tax}}{\text{Weighted average number of shares considered for calculating diluted EPS}}$$

(iii) *Weighted Average Number of Shares is the number of shares outstanding at the beginning of the year adjusted by the number of shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*

(iv) *The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of the Company.*

(v) *Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares.*

B. Price/Earning ("P/E") ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2020	[●]	[●]
Based on diluted EPS for Fiscal 2020	[●]	[●]

Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	96.81
Lowest	38.34
Average	67.10

The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average of P/E for industry peer set disclosed in this section. For further details, see "– Comparison with listed industry peers" on page 120.

C. Return on Net Worth ("RoNW")

Fiscal Year ended	RoNW (%)	Weight
March 31, 2018	10.09	1
March 31, 2019	18.22	2
March 31, 2020	24.27	3
Weighted Average	19.89	
For six months ended September 30, 2020*	12.12	

**Not annualized*

(i) *Return on Net Worth (%)=* $\dfrac{\textit{Restated profit for the year/ period}}{\textit{Total equity}}$

(ii) *"Total Equity" is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account. Return on Net Worth is calculated as Restated profit after tax for the year divided by Total equity at the end of the year.*

(iii) *The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of the Company.*

D. Net Asset Value ("NAV") per Equity Share of face value of ₹ 10 each

Fiscal year ended/ Period ended	NAV per Equity Share (basic) (₹)[(iii)]	NAV per Equity Share (diluted) (₹)[(iv)]
As on September 30, 2020	49.75	49.20
As on March 31, 2020	43.69	43.23
After the completion of the Offer	At Floor Price: [●]	At Floor Price: [●]
	At Cap Price: [●]	At Cap Price: [●]
Offer Price	[●]	[●]

(i) *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

(ii) *Net worth is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account.*

(iii) *For the purpose of calculation of basic restated net asset value the total number of shares for outstanding as at March 31, 2020 and September 30, 2020 represents the aggregate of equity shares and 0.001% Compulsory convertible cumulative preference shares (CCCPS) as at the end of respective period.*

(iv) *For the purpose of calculation of diluted restated net asset value the total number of shares considered for calculation of basic net asset value is adjusted with the outstanding employee stock options as the respective period/year end.*

(v) *Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares.*

E. Comparison of Accounting Ratios with Listed Industry Peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

Name of the company	Total income (₹ in million)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (basic) (₹)
Indigo Paints Limited*	6,264.36	10	[●]	10.61	10.49	24.27%	43.69
Listed Peers							
Asian Paints Limited	205,155.60	1	78.77	28.25	28.25	27.39%	105.61
Berger Paints India Limited	64,343.40	1	96.81	6.76	6.75	24.66%	27.39
Kansai Nerolac Paints Limited	53,055.00	1	54.48	9.67	9.67	13.72%	69.77
Akzo Nobel India Limited	26,994.00	10	38.34	52.13	52.13	19.18%	271.85

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial statements of the respective company for the year ended March 31, 2020 submitted to stock exchanges.

** Financial information for Indigo Paints Limited is derived from the Restated Financial Statements for the financial year ended March 31, 2020.*

Notes:

1. Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS sourced from the financial statements of the respective company for the year ended March 31, 2020.

2. P/E Ratio has been computed based on the closing market price of equity shares on NSE on November 9, 2020 divided by the Diluted EPS provided under Note 1.

3. For listed peers, RoNW is computed as profit after tax for the year divided by closing net worth. Net worth has been computed as sum of equity share capital, other equity (excluding non-controlling interests), as applicable.

4. Net Asset Value ("NAV") is computed as the closing net worth divided by the equity shares outstanding as on March 31, 2020.

F. The Offer Price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Statements*" beginning on pages 23, 154, 271 and 206, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Indigo Paints Limited
(formerly known as Indigo Paints Private Limited)
Indigo Tower, Street – 5
Pallod Farm – 2, Baner Road
Pune – 411045
Maharashtra, India.

Dear Sirs/Madams,

Statement of Possible Tax Benefits available to Indigo Paints Limited and its shareholders under the Indian tax laws

We hereby confirm that the enclosed Annexure 1 & 2 (together the "Annexures"), prepared by Indigo Paints Limited (formerly known as Indigo Paints Private Limited), (hereinafter referred as the 'Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act 2020, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2020, i.e., applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, presently in force in India (together, the **'Tax Laws'**). This statement can be included in the (i) draft red herring prospectus proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"); (ii) red herring prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Pune ("Registrar of Companies"); and (iii) prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies for the proposed initial public offer through a fresh issuance of equity shares of face value Rs 10 each, of the Company: and offer for sale by the certain selling shareholders of the Company (the "Offer"), as required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

2. We do not express any opinion or provide any assurance as to whether:

    i) the Company or its shareholders will continue to obtain these benefits in future;
    ii) the conditions prescribed for availing the benefits have been / would be met with; and
    iii) the revenue authorities/courts will concur with the views expressed herein.

3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

4. This Statement is issued solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal

Partner

Membership Number: 501160

Place of Signature: Pune

Date: November 08, 2020

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Income-Tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act 2020, applicable for Financial Year 2020-21 relevant to Assessment Year 2021-22.

1. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Special tax benefits available to the Company under the Act

3.1. <u>Lower corporate tax rate under Section 115BAA of the Act</u>

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

I. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone;
II. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation);
III. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
IV. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
V. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
VI. Deduction under section 35CCD (Expenditure on skill development)
VII. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M;
VIII. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VII) above; and
IX. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause I) to VIII) above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that they have opted to apply section 115BAA of the Act for the assessment year 2020-2021.

3.2. Deductions from Gross Total Income - Section 80 JJAA of the Act - Deduction in respect of employment of new employees

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

4. Special tax benefits available to Shareholders

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

5. NOTES:

5.1. This Annexure sets out only the possible tax benefits available to the company and the shareholders under the current Income Tax Act, 1961 i.e the Act as amended by the Finance Act, 2020 applicable for Financial year 2020-21 relevant to the Assessment year 2021-22, presently in force in India.

5.2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

5.3. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

5.4. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

5.5. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20 and accordingly, the special direct tax benefits, available for Financial Year 2020-21, are captured to the extent the same are relevant to a Company exercising such option. In this regard, it may also be noted that such option for Financial Year 2019-20 is yet to be exercised by the Company which could be done along with furnishing of tax return of the Company for Financial Year 2019-20. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year.

For Indigo Paints Limited

Chief Financial Officer

Place: Pune

Date: November 08, 2020

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21 (unless otherwise specified), presently in force in India.

1. Special indirect tax benefits available to the Company

   There are no special tax benefits available to the Company under GST law and any other laws mentioned above.

2. Special tax benefits available to Shareholders

   The Shareholders of the Company are not entitled to any special tax benefits under indirect tax laws.

3. Notes:

3.1 This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21 (unless otherwise specified), presently in force in India.

3.2 This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO.

3.3 This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

3.4 These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

3.5 No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Indigo Paints Limited

Chief Financial Officer

Place: Pune

Date: November 08, 2020

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

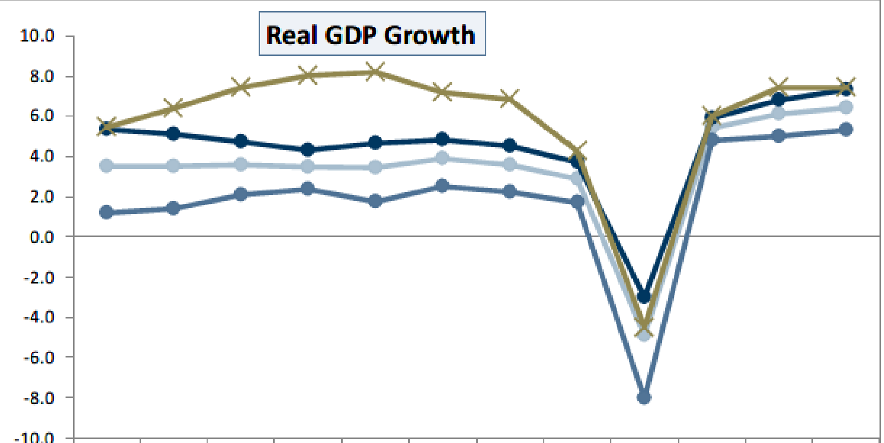
*Unless otherwise indicated, the information in this section is obtained or extracted from "Independent Market Report for Paints Sector in India" dated November 9, 2020 (the "**F&S Report**") prepared and issued by Frost and Sullivan (India) Private Limited commissioned by us. Neither we nor any other person connected with the Offer have independently verified industry related information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

MACROECONOMIC OVERVIEW

Gross Domestic Product (GDP) Growth

The COVID-19 pandemic has resulted in the largest economic shock the world has experienced in decades. The baseline forecast estimates a 5% contraction in global GDP in 2020, which has been the deepest global recession in decades, using market exchange rate weights. This is expected to have short-term repercussions such as low investments with the erosion of human capital and fragmentation of global trade linkages.

Set forth below is a chart indicating real GDP growth (%) from 2012 to 2023 (forecast):



	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021F	2022F	2023F
World	3.5	3.5	3.6	3.5	3.4	3.9	3.6	2.9	-4.9	5.4	6.1	6.4
Advanced Economies	1.2	1.4	2.1	2.3	1.7	2.5	2.2	1.7	-8.0	4.8	5.0	5.3
Emerging markets & developing economies	5.3	5.1	4.7	4.3	4.6	4.8	4.5	3.7	-3.0	5.9	6.8	7.3
India	5.5	6.4	7.4	8.0	8.2	7.2	6.8	4.3	-4.5	6.0	7.4	7.4

Source: World Economic Outlook, International Monetary Fund Estimate-June 2020, Moody's Outlook, Frost & Sullivan

An already-slowing Indian economy that was on its growth track was affected after a stringent shutdown was imposed in March to contain the spread of COVID-19. With the closure of industries, transport, shops, and malls, the economic activity was entirely curtailed in India toward the end of March. The domestic consumption, which comprises around 57% of GDP, was almost negligible. From 2012 to 2016, the market-friendly policies safeguarded India from the subdued global economy; the improved macroeconomic fundamentals and robust capital inflow strengthened the economic growth from 5.5% in 2012 to 8.2% in 2016. However, in 2017 the GDP declined to 7.2% from 8.2% in 2016 due to the external vulnerabilities such as global slowdown, impact of demonetization and the transitory effect of goods and services tax (GST) implementation. The economic growth of India slipped further in 2019 as a result of the lingering effect of demonetization and the other political reforms. The growth has remained relatively slow due to the prolonged on-going stress among non-bank financial institutions, obstructing the overall credit provision of the financial system. Due to COVID-19, the GDP of the first quarter of Fiscal 2021 declined by 23.9% from ₹268.95 billion as compared to ₹353.53 billion for the corresponding period in the previous year.

The emerging markets and developing economies will be exposed to pressure on weak healthcare systems, loss of trade and tourism, decreasing remittances, subdued capital flows, and constricted financial conditions with increasing debt. The economic landscape is also affected by the historic collapse in oil demand and oil prices.

Medium – Long Term: Robust Recovery Expected

Due to COVID-19 and reduced mobility, the short-term economic growth is expected to be comparatively muted. However, the medium-long term status of the economy will be healthy, with the demand expected to return to pre-COVID levels. Due to initiatives taken by the governments and industries globally, the medium and long-term global economy is expected to remain robust. While several sectors have witnessed a growth during the pandemic, sectors including ITeS, e-commerce, pharmaceuticals, chemicals, diagnostics, consumer goods and durables, agrochemical and fertilizers have benefited owing to the pandemic. The crisis has also increased the demand in medical supplies and care.

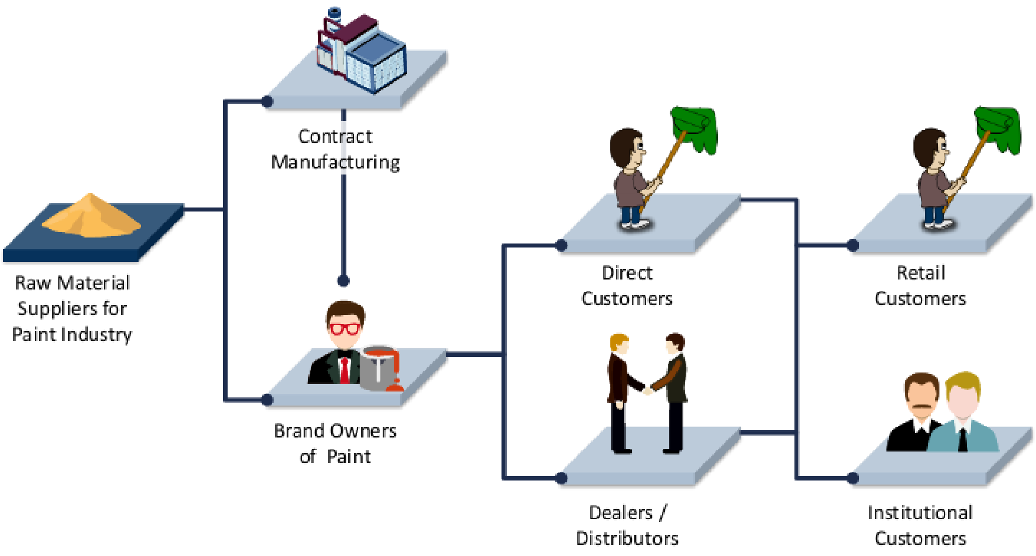
Pre-COVID, India's growth story was largely positive based on the strength of domestic absorption, and the economy was registering a steady pace of economic growth. Moreover, other macroeconomic parameters including inflation, fiscal deficit and current account balance had indicated distinct signs of improvement. Though the pandemic has led to a short-term slowdown in the economy, India is expected to witness the revival of its economy in the medium-long term. The government has taken several measures to revive the economy. In addressing the current slowdown, India has several advantages including the following: (i) Aatmanirbhar Bharat Abhiyan which is a combination of relief, policy reforms and fiscal and monetary measures to aid businesses and individuals to cope with the COVID-19 pandemic; (ii) preferred destination for foreign investment, due a rapidly growing consumer market and a developed commercial banking network; (iii) strong diversified industrial and infrastructural base, for basic and capital goods to meet various sector requirements; (iv) burgeoning foreign exchange reserves; and (v) demographic dividend, being among the youngest nations in the world with more than 62% of the population in the working age group.

India's growth story is likely to continue due to its strong macroeconomic fundamentals. While there is uncertainty, the medium term growth outlook is expected to improve and record a growth rate of approximately 7.3% by 2025 (forecast), because of the strong macroeconomic fundamentals, which include moderate inflation, the implementation of key structural reforms and the improved fiscal and monetary policies.

China was infected first with the virus, and has also been the first to recover from the pandemic. In general, the inflection curves have remained flat and the policy support is working for China. China is expected to experience a growth of 1.2% in 2020, along with a growth of 9.2% next year and around 5% in 2022-2023. The forecast for Japan has been lowered to (5.2)% in 2020; however the country will rebound to approximately 5% by 2022 driven by its robust domestic demand growth. India will also witness significant downturn in 2020, but is expected to rebound to approximately 6% in 2021.

INDIAN PAINT INDUSTRY

Set forth below is a diagram depicting the value chain of the paint industry:



Source: Frost & Sullivan

The industry has a three-stage setup comprising raw material suppliers, manufacturers and sellers. Most of the raw materials in the paint industry are petroleum based, supplied by petrochemical companies. A few companies adopt contract manufacturing, while bigger companies have their own manufacturing facilities. The larger chemical companies are vertically integrated in both the raw materials and paint production stages while others are pure-play producers of paint and coatings. For example, Asian Paints and Berger Paints produce their own emulsions that are used in the production of paints.

Most sales are driven through dealer and distributor networks, which sell onwards to local buyers. Hardware stores are usually the retailers in the paint and coating industry, while the other major retailers may have paint and coating segments within their broad range of offerings. Direct sales are a minor component of overall sales.

The Indian decorative paint industry has significant entry barriers. These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance.

Raw Material Analysis

Raw material sourcing comprises more than 60% of the input costs of paint manufacturing. Around 300 to 400 ingredients are used in the manufacturing of decorative paints, of which, Titanium Dioxide (TiO_2), a white pigment, constitutes around 20% to 25%. The paint industry has historically been successful in passing on any significant price increases in inputs to the customers.

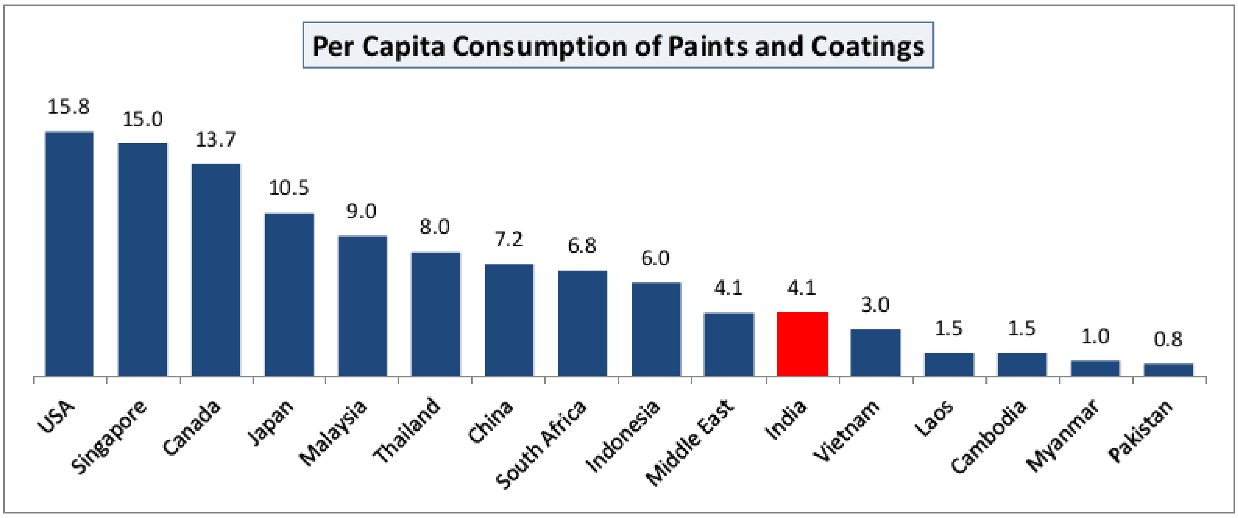
TiO_2 is derived from ilmenite, and while India has significant ilmenite reserves, there is a limited market for its products and derivatives, particularly TiO_2, in India. However, companies failed to expand their capacity for TiO2 resulting in end-users relying on imports. As a result, the Indian paint industry has been importing TiO_2 from China despite it being available in India.

Kerala Metals and Minerals is one of the leading manufacturers of TiO_2 in India. For water-based paints, the principal raw materials are acrylic emulsions and compounds such as TiO_2, china clay and certain minerals. While Asian Paints, Berger Paints and Kansai Nerolac make their emulsions in-house by importing raw materials such as monomers, Indigo Paints procures it locally as purchasing emulsion instead of producing it has a cost benefit thereby providing higher margins.

Apart from TiO_2, the other raw materials being used for water based paints and putty are white cement, minerals including lime, dolomite, calcite and talcum. As on 2015 as per NMI data, the total reserves of dolomite in India was around 8,415 MMT and Rajasthan is estimated to have approximately 590 MMT resources of dolomite. The total reserves of calcite have been estimated at about 23 MMT, with Rajasthan having the largest share (53%) of calcite resources. The total reserves of talc, another major raw material, have been estimated at 316 MMT. Substantial quantities of reserves are established in Rajasthan (57%). Limestone is also one of the key raw materials for manufacturing of paints. In the Fiscal 2018, there were 680 reporting mines together producing 379 MMT of lime. Rajasthan was the leading producer accounting for (20%) of the total production of limestone. Indigo Paints has strategically located its manufacturing facilities close to the source of the raw material for ease of procurement and to reduce delivery and logistical costs.

India Per Capita Paint Consumption

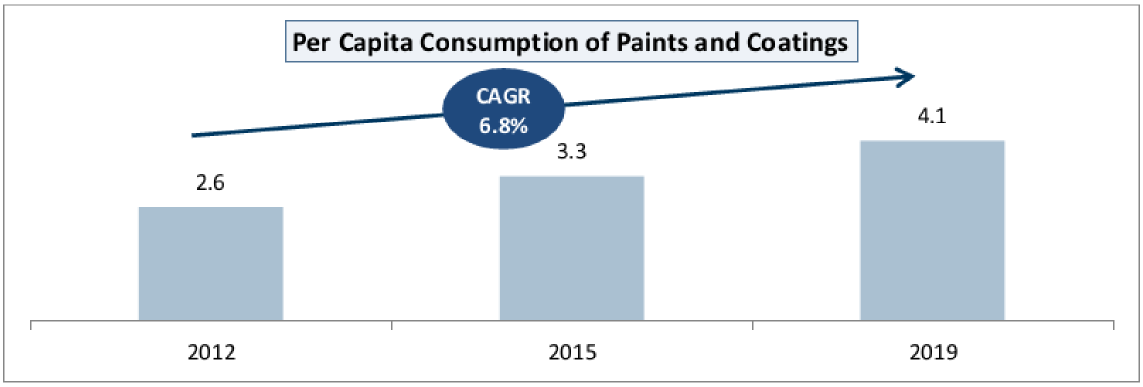
Set forth below is India's per capital consumption of paints and coatings versus key global economies (in kg), 2019:



Source: Bloomberg, Frost & Sullivan

The average consumption of paints and coatings for Asia Pacific is 4.7 kg while that of the developed nations in Asia Pacific have an average consumption of 9.7 kg.

Set forth below is per capital consumption if India (in kg), for 2012, 2015 and 2019:



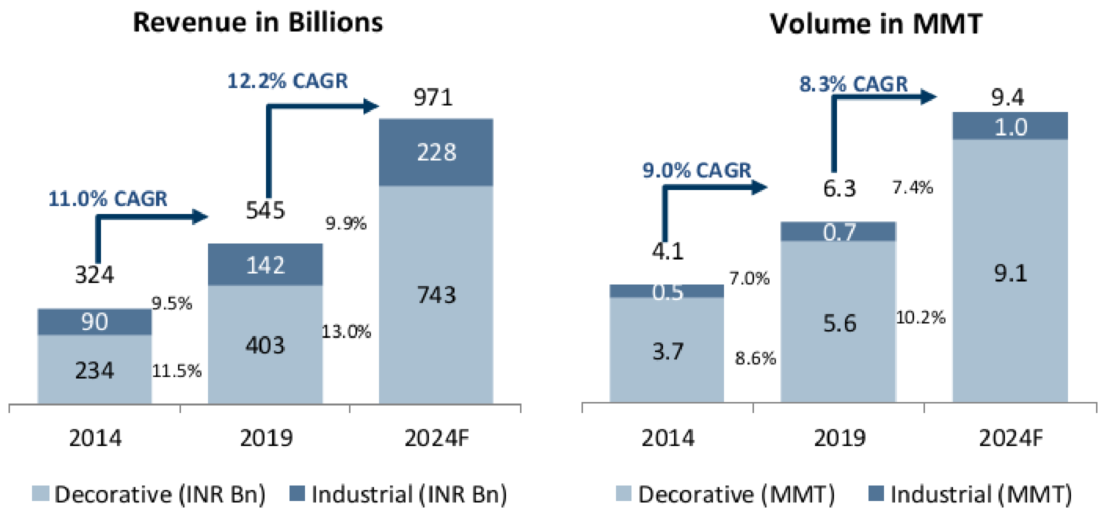
Source: Bloomberg, Frost & Sullivan

India's per capita paint consumption increased by a CAGR of 6.8% in the last seven years from 2.6 kg in Fiscal 2012 to 4.1 kg in Fiscal 2019. Compared to the global average consumption of approximately 14 kg to 15 kg per capita, the per capita consumption of paints and coatings in India is low, indicating a significant opportunity for market penetration in India.

The industrial sector aided by impetus in infrastructure, is expected to drive the GDP growth, resulting in increased consumption of coatings. The increasing GDP per capita and a growing middle class population are expected to raise the per capita paint consumption by 30% to 40% during Fiscal 2020 to Fiscal 2022. Increasing urbanization coupled with rise in disposable income is leading to an increased spend on decorative paints.

India: Market Size (Historic and Forecast)

Set forth below is the market size of the Indian paints market by product type, in value (₹ billion) and in volume (MMT), for 2014, 2019 and 2024 (forecast):

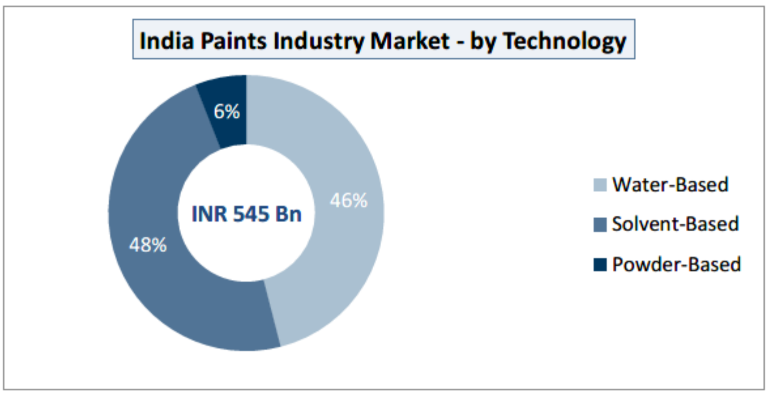


Source: Company websites, Coatings World, News Articles, Frost & Sullivan

The Indian paint industry comprises a sizeable portion of India's GDP. The industry has registered a CAGR of approximately 11% during Fiscal 2014 to Fiscal 2019, almost double the growth rate of India's GDP. The high growth trajectory and shift of preference toward odor free, and dust and water resistant paints can be attributed to the rise in urbanization, growth in the popularity of branded paints, shortening of the re-painting cycle and robust pricing power prevalent in paint industry. An increase in demand is expected for both the decorative and industrial paints during the forecast period with the massive infrastructure initiatives by the Government of India.

The decorative paint segment constitutes around 74% of the total paint sales, resulting in the paint sector growing at a robust rate even at the time of an industrial slowdown. The Indian paint industry is valued at approximately ₹ 545 billion and is expected to grow to amount to ₹ 971 billion by 2024. There is a strong co-relation between the Indian paint industry and the GDP growth of India. It has historically almost doubled India's GDP growth rate. Going forward, the decorative paint market is expected to grow at a CAGR of 13% while the industrial paint market is expected to grow at a CAGR of 9.9% by 2024.

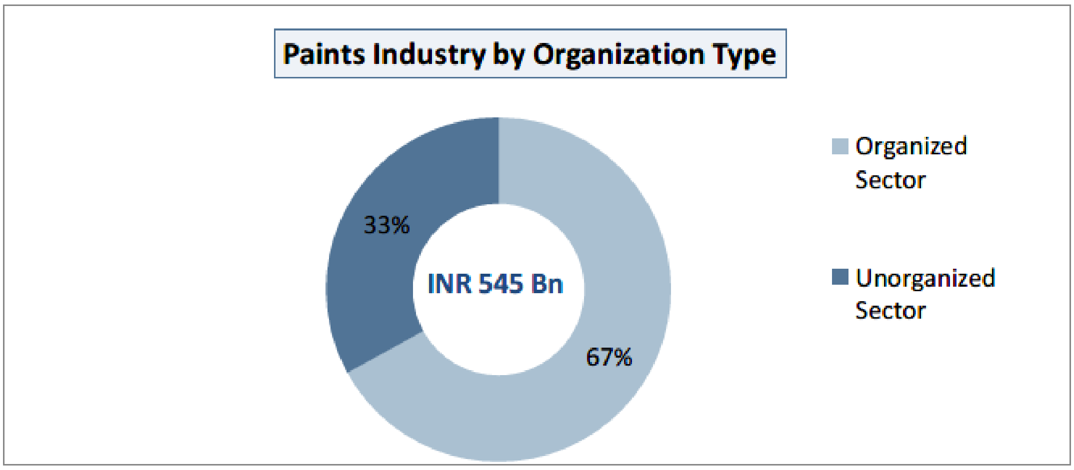
Set forth below is the Indian paints industry (industrial and decorative), classified based on technology in terms of value (₹ billion) for 2019:



Source: Coatings World, News Articles, IPA, Frost & Sullivan

The consumption of water-based paints is rising globally, and the demand is expected to remain high as Indian paint manufactures are shifting from solvent-based to water-based paints. Around 55% of the raw materials used by the paint companies are crude oil derivatives and comprise approximately 30% to 35% of the sector's overall raw material costs. The prices of crude oil and its derivatives are volatile and fluctuate, exerting pressure on the prices of paints. The prices have been fluctuating on the lower end since 2018 with 2020 experiencing the lowest prices. The oil and gas industry has experienced a price collapse for the third time in the last decade; 2020 price collapse being a combination of supply shock and an unprecedented demand drop. The overall fluctuating prices of oil are creating a major pricing issue for paint companies. The recent capacity increases announced by key paint firms is also focused on water-based systems.

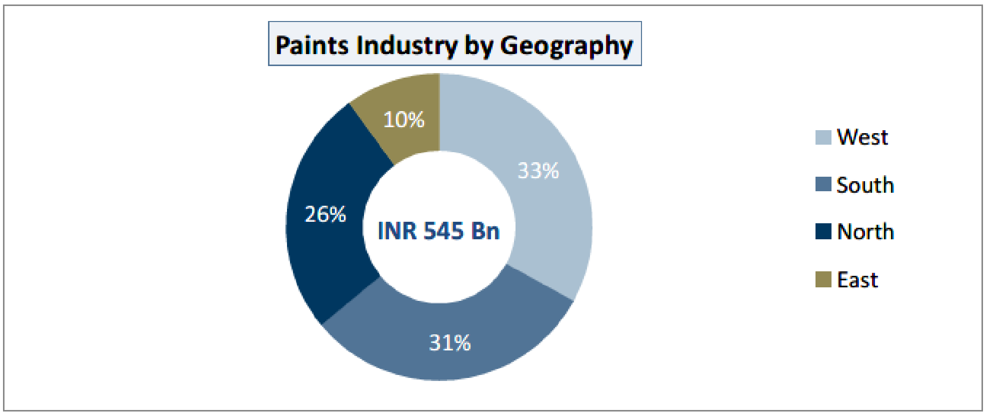
Set forth below is the Indian paints industry, segmented based on organization type, in terms of value (₹ billion), for 2019:



Within the paint industry, the organized sector has a 67% market share and the remaining 33% is held by the unorganized sector. Until 2015 the unorganized sector had a market share of approximately 35%, which has been penetrated by the organized sector due to challenges faced by smaller players in the form of demonetization and implementation of GST.

The organized players are expected to dominate the market share in the forecast period (through 2024) with companies like Indigo Paints tapping into the market of unorganized players in Rural Areas and smaller cities. With higher penetration and a larger dealer network in these areas, Indigo Paints will be able to effectively influence the purchase decisions of the consumers and capture a share of the market of smaller players. The unorganized players have been mainly focusing on the decorative paints segment with a highly scattered market, comprising about 2,500 units of small and medium sized paint manufacturing plants.

Set forth below is the Indian paints industry, segmented by geography, in terms of value (₹ billion), for 2019:



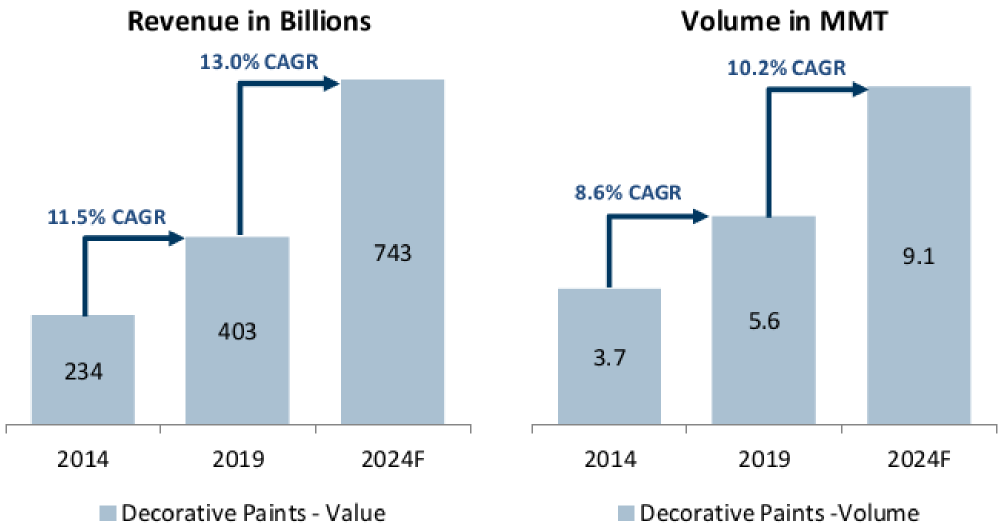
Source: Primary Research, Company Websites, Frost & Sullivan

North: *Rajasthan, Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Chandigarh, Himachal Pradesh, Jammu & Kashmir*
South: *Karnataka, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Pondicherry*
East: *Bihar, West Bengal, Chhattisgarh, Orissa, Jharkhand, North Eastern region*
West: *Gujarat, Maharashtra, Madhya Pradesh, Goa*
Metro *- Population above 25 Lacs*
Tier I *- Population 10 - 25 Lacs*
Tier II *- Population 5 - 10 Lacs*
Tier III *- Population 2 - 5 Lacs*
Tier IV *- Population 50,000 - 2 Lacs*
Rural *- Population less than 50,000*

The western and southern regions of India account for over 60% of the total demand for paints (industrial and decorative paints). For the industry, metros and Tier 1 areas contribute a much lower share in terms of value (around one-third) as compared to the smaller towns (Tier 2 – 4 Cities) and Rural Areas. For the past few years, the demand from smaller cities and towns has been growing at a faster pace than metro and Tier 1 Cities (the smaller cities were better able to recover from COVID-19 and start operations as well). The paint companies have been proactively expanding their dealer base in newer geographies, especially Tier 2 – 4 Cities and Rural Areas, to ensure adequate presence. Most of the bigger players are expanding their capacities and setting-up their plants in the southern regions which is also expected to see a major growth in demand during the forecast period (through 2024). Indigo Paints has a strong presence in Southern India.

DECORATIVE PAINTS

Set forth below is the market size of the Indian decorative paints market, in value (₹ billion) and in volume (MMT), for 2014, 2019 and 2024 (forecast):



Source: Company websites, Coatings World, News Articles, Frost & Sullivan

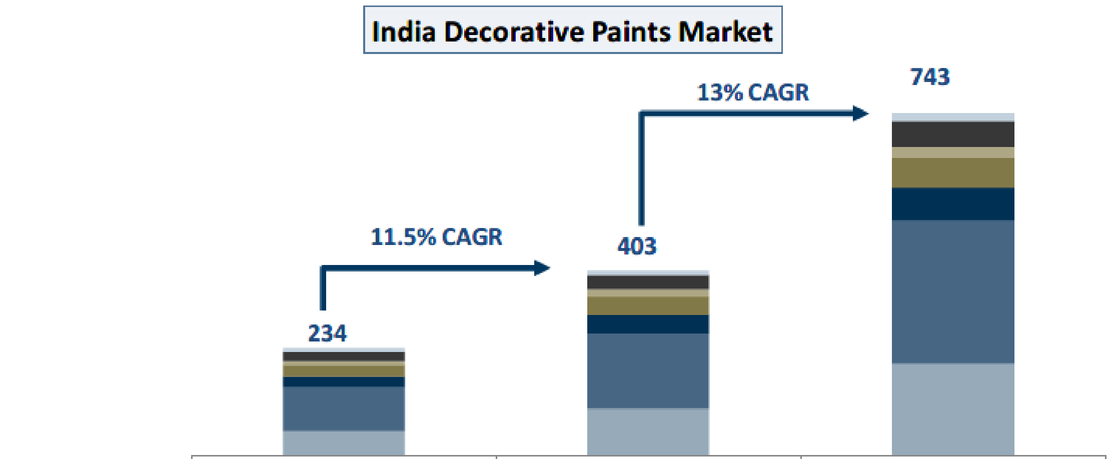
The decorative paints segment represents around 74% of the overall paint market in India and includes wall finishes for interior and exterior use, enamels, wood finishes and ancillary products such as primers and putties. Over the past five years, the share of decorative paints has increased from 67% to 74% (Fiscal 2019).

The decorative segment has grown at a CAGR of 11.5% from Fiscal 2014 to Fiscal 2019, driven by the increase in consumption of paints in Tier 2 – 4 Cities. COVID-19 has impacted the metro cities and Tier 1 Cities more with most regions being under complete lockdown. As a result, the industrial recovery outside the main cities has been faster. For the paint industry, Rural Areas and Tier 2 – 4 Cities account for nearly half the total sales. Accordingly, the pandemic-led decline in demand is likely to have the least impact on Indigo Paints as compared to the other players as it predominantly operates in Tier 2 – 4 Cities.

The decorative paint industry appears to be shifting from 'digitization' to 'digitalization' with the installation of bots, use of state-of-the-art tools for planning and distribution and use of nanotechnology. The growth and deployment of tinting machines at all dealer counters enables customers to select their desired shade. Colour combinations are also offered to the customers as a virtual visualization of their homes before physically painting their homes.

The Indian decorative paints market is expected to growth at a CAGR of approximately 13% in terms of value and 10.2% in terms of volume through 2024 driven by a number of factors including increase in the disposable income of individuals and families and various housing schemes. The Government schemes and policies like ‘Housing for All’ will also be a major driver for growth of fresh painting. With more such initiatives targeted for the regional population, the demand from smaller cities and towns is estimated to grow faster benefitting companies like Indigo Paints, which already has an established presence in these geographies.

Set forth below is the Indian decorative paints industry, segmented based on sub-product type, in terms of value (₹ billion), for 2014, 2019 and 2024 (forecast):



	2014	2019	2024F
Others	7.0	10.5	17.7
Putties	19.5	31.4	54.6
Wood Coatings	10.0	15.1	23.9
Distempers	24.5	39.2	65.9
Primers	22.6	39.5	70.4
Emulsions	95.7	163.9	309.5
Enamels	54.7	103.4	201.0

Set forth below is the growth (CAGR) recorded by the Indian decorative paints industry, segmented based on sub-product type, in terms of value (₹ billion), from 2014 – 2019, and forecast for 2019 – 2024:

	Enamels	Emulsions	Primers	Distempers	Wood Coatings	Putties	Others
2014-19	13.6%	11.4%	11.8%	9.9%	8.6%	10.0%	8.4%
2019-24F	14.2%	13.6%	12.3%	10.9%	9.6%	11.7%	11.0%

Source: Coatings World, News Articles, Frost & Sullivan

Within the decorative paint market, enamels and emulsion paints are the fastest growing segments. Emulsions are the largest segment with increasing popularity among the masses as they are less toxic than most oil-based paints, release less number of VOCs and are devoid of any strong odor. Increasing penetration of emulsions is driven by the varying degrees of shine that manufacturers offer in these paints. The market for emulsions was valued at ₹ 163.9 billion in Fiscal 2019, and is expected to grow at a CAGR of 13.6% and amount to ₹ 309.5 billion by Fiscal 2024.

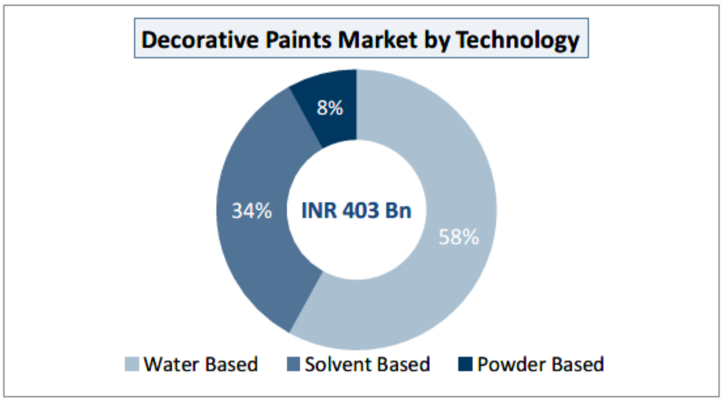
There has been a higher growth of emulsion paints for interiors as compared to distempers, in line with an increase in the use of economy emulsions in place of lower-priced distempers. Even in the exterior category, emulsion-based coatings are being preferred against the conventional cement-based coatings. Seeking better products, consumers are also switching to marginally higher-priced emulsions with more durability and better-looking finishes in a wider range of colors.

The Indian decorative paint industry has been witnessing a gradual shift in preferences from the traditional whitewash to high-quality paints like emulsions and enamel paints, providing stable base for growth of Indian paint industry. In addition, it is creating a strong competitive market, where players are adopting different strategies to tap the growing demand in the market for a larger share. Further, increased focus on education, urbanization, development of the rural market, and introduction of many innovative products such as odor free, and dust and water-resistant paints, are major drivers that are propelling the growth of the paint market in India. The decorative paints industry is expected to grow at a CAGR of 13% through 2024 with enamels and emulsions expected to record a CAGR of 14.2% and 13.6% respectively.

In the past few years, the industry has witnessed a gradual shift in consumer's preference from the traditional whitewash to better quality, 'value for money (VFM)'/'bottom of pyramid (BOP)' paint, especially in Tier 2 – 4 Cities. The demand for putty, distemper, lower-end enamels, among others, is expected to grow in the coming years.

Other products that are expected to grow in performance are low-value products such as putty and distempers. The reduction in the goods and services tax (GST) on paints, varnishes and putty, from 28% to 18% in July 2018, has driven growth in these segments. The direct application of paints on cemented or plastered walls is now reducing as rural consumers are becoming aware of the benefits of applying putty over walls prior to painting. Demand for putty is also being driven by incentivizing painters to purchase putty along with paints. However, this trend is not expected to continue going forward and the current surge in demand for distemper and putty is expected to normalize with an increase in consumption of enamel and emulsion paints.

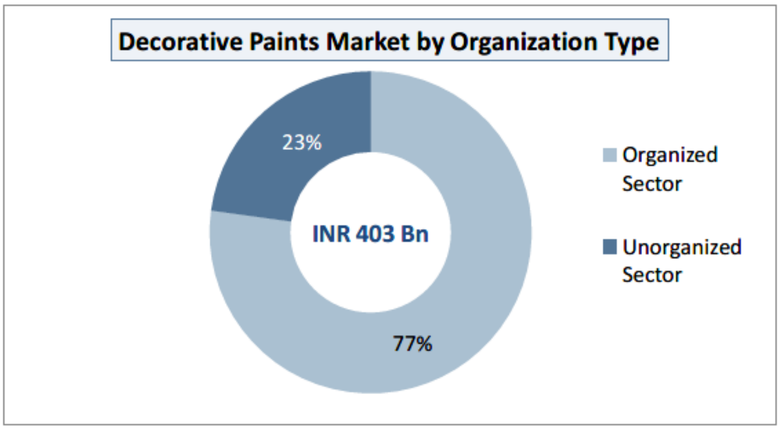
Set forth below is the Indian decorative paints industry, classified based on technology in terms of value (₹ billion) for 2019:



Source: Coatings World, News Articles, Frost & Sullivan

Water-based paints are increasingly becoming the preferred choice of paints for home interiors and exteriors. The decorative paint industry, in terms of technology, has been witnessing a higher inclination toward water-based paints with even the major entities focusing more on water-based plants. Most companies are establishing manufacturing units for water-based paints.

Set forth below is the Indian decorative paints industry, segmented based on organization type, in terms of value (₹ billion), for 2019:



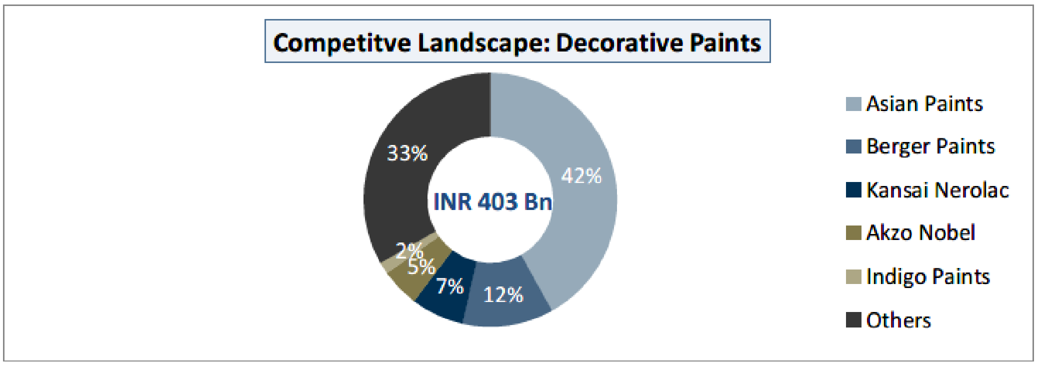
Source: Company Websites, Frost & Sullivan

The Indian paints market is dominated by the decorative market that represents 74% of the total paints market in India. The organized market accounts for the top 10 to 12 players who represent 77% of the decorative market share while the remaining 23% comprises many small players.

Asian Paints (founded in 1942) is the market leader in the decorative paints industry with a market share of 42% of the total market. The decorative paint segment represents 95% to 97% of Asian Paints' revenue. Berger Paints (incorporated in 1923) follows Asian Paints in the decorative category as the second largest contributor in the market; Kansai Nerolac (founded in 1920) is significantly dependent on industrial paints, approximately 45% to 50% of its revenue. Akzo Nobel (incorporated in 1954) is gradually expanding its reach in the decorative market by evaluating options in smaller cities with lower competition. Indigo Paints, with its sole focus on the decorative paints segment is the fifth largest player in the industry. The unorganized sector comprises many small players mainly in Tier 2 – 4 Cities and Rural Areas, which makes it comparatively easier for bigger players like Indigo Paints to penetrate into their market by influencing the customers' decisions through their large dealer newtork.

The other paint companies with some presence include Nippon India, Kamdhenu Paints, Jenson & Nicholson Paints Private Limited (JNPL), JSW Paints, and Jotun Paints.

Set forth below is the competitive landscape of the Indian decorative paints industry, in terms of value (₹ billion), for 2019:



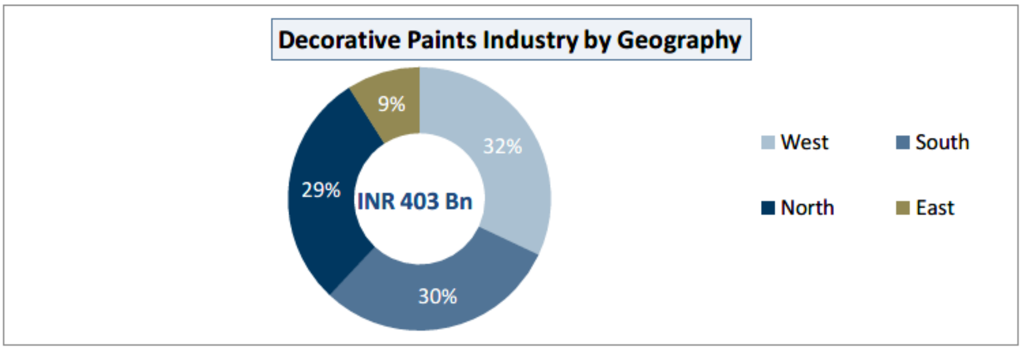
Source: Company Websites, Frost & Sullivan

Asian Paints is the market leader in the Indian decorative paints category with a market share of 42%. With a view to tap the current market and expand further, most companies are increasing their product base with new products satisfying consumer demands in addition to offering value-added services to the consumers through specialized and trained applicators, well supported by back end support of specialized service.

The companies are also significantly investing in branding and promotional strategies to improve their consumer base. Indigo Paints in the fifth largest decorative paint company in India in spite of being a comparatively newer player in the market. Unlike the major entities, Indigo Paints entered the market of small cities, towns and Rural Areas (Tier 3 – 4) and effectively established itself as a market leader in selected categories within a short period of time, and is now venturing into metros and Tier 1 Cities. There is a significant untapped opportunity in Metros and larger cities that can be capitalized by Indigo Paints by expanding its distribution network.

The Indian decorative paint industry has been dominated by four major entities, with an aggregate market share of 65% in 2019, as the industry presents significant entry barriers.

Set forth below is the Indian decorative paints industry, segmented by geography, in terms of value (₹ billion), for 2019:



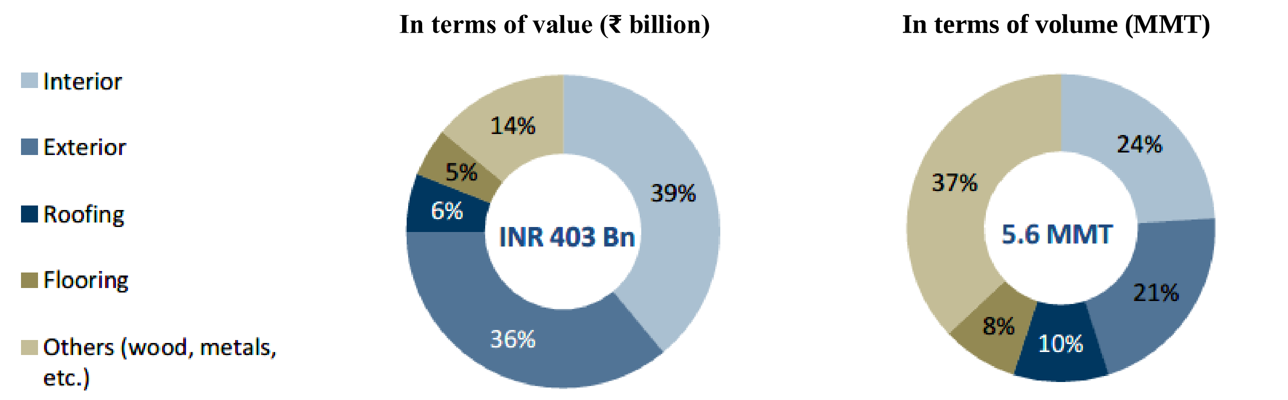
***North**: Rajasthan, Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Chandigarh, Himachal Pradesh, Jammu & Kashmir*
***South**: Karnataka, Kerala, Tamil Nadu,Telangana, Andhra Pradesh, Pondicherry*
***East**: Bihar, West Bengal, Chhattisgarh, Orissa, Jharkhand, North Eastern region*
***West**: Gujarat, Maharashtra, Madhya Pradesh, Goa*

***Metro** - Population above 25 Lacs*
***Tier I** - Population 10 - 25 Lacs*
***Tier II** - Population 5 - 10 Lacs*
***Tier III** - Population 2 - 5 Lacs*
***Tier IV** - Population 50,000 - 2 Lacs*
***Rural** - Population less than 50,000*

With a growing demand from small towns in the western and southern regions of India, most of the major entities are evaluating Tier 2 – 4 Cities as well. Asian Paints and Berger Paints are expanding their market in the western region. For Asian Paints, metros and Tier 1 Cities account for approximately 40% of the total industry demand whereas Tier 2 – 4 Cities and interiors of the country account for the remaining 60%. Similarly, Tier 1 and Metros represent 30% for Berger, 20% for Kansai Nerolac and approximately 60% for AkzoNobel.

The last few years has seen the demand growing at a faster pace in smaller cities and towns than in metro and Tier 1 Cities. COVID-19 has impacted the Metros and Tier I Cities more with most regions being under complete lockdown. As a result, the industrial recovery outside the main cities has been faster. For the paint industry, Rural Areas, Tier 2 – 4 Cities account for nearly half of total sales, and smaller towns is where the spending power has been increasing.

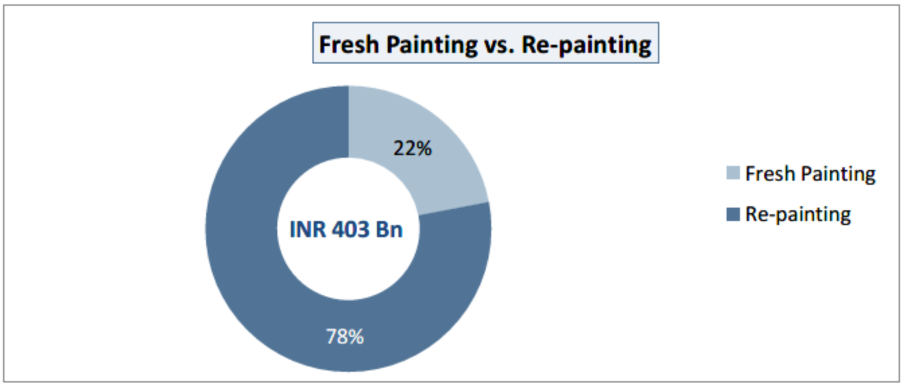
Set forth below is the Indian paints industry segmented by application for 2019:



Source: Primary Research, Company Websites, Frost & Sullivan

The demand for interior and exterior paints has been on the rise owing to customers' growing preferences to aesthetics. The demand for roofing and flooring paints is also gaining momentum mainly from residential buildings. Roofing coats offer benefits such as thermal insulation and water proofing. Paint companies are now promoting products and the benefits associated with them which has led to increased consumer awareness, and corresponding increase in sales of roofing and flooring paints.

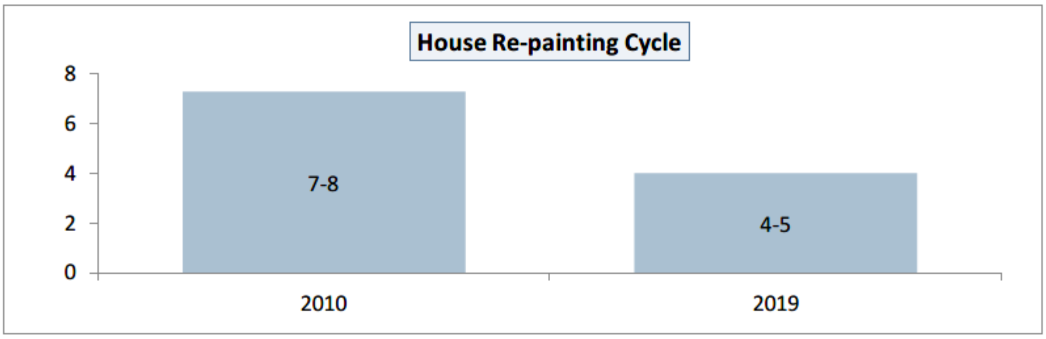
Set forth below is the Indian paints industry, segmented by fresh painting and repainting, in terms of value (₹ billion), for 2019:



Source: Livespaces, Company Websites, Frost & Sullivan

Fresh painting accounts for approximately 22% of the decorative paint demand. Of this, the share of unorganized players tends to remain high as not all builders provide high quality paints in newly constructed houses. Some builders opt for low-quality distempers (mostly purchased from unorganized players) with the assumption that buyers will either get interiors done or repaint their houses as per their choice. Accordingly, opting for local paints allows builders to reduce cost of construction. This leads to incremental demand of repainting using better-quality paints (mostly emulsions). Re-painting represents approximately 78% of the demand in the decorative segment in India.

Set forth below is the Indian household repainting cycle reduction in years, 2010 – 2019:



Source: Frost and Sullivan

In the last decade, the average re-painting cycle has gradually reduced from repainting the house from an interval of 7 to 8 years in 2010 to 4 to 5 years in 2019 (mostly interior painting). Earlier the major factor for re-painting the house was the life of paint coat i.e., repainting was done only when paint withered. However, this trend has been changing gradually with some consumers giving more importance to aesthetics, change in looks and appearance of their premises at regular intervals even while the condition of the existing paint is good. These consumer behavioral changes have led to reduction in re-painting cycle.

Indian Decorative Paint Market – Trends

GST rate reduction boosting the sector. The GST rate for paints has reduced form 28% to 18% spurring volumes in the decorative market, particularly in the lower-end segments like emulsions, distempers and putty. Paint firms have passed the cost benefits on to the customers creating a positive demand for paints owing to lower prices.

Portfolio diversification. Most companies are now venturing into new product segments and focusing on diversifying their product portfolio. Many paint companies entered the segment for waterproofing and building chemicals in the last few years. While there has been a substantial change in focus towards waterproofing over the last decade, this was previously considered as an extra expense in the Indian market.

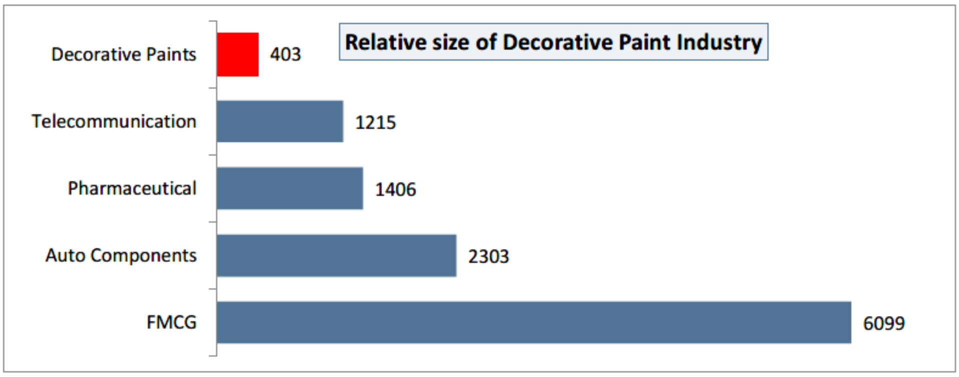
Movement towards decorative paints over conventional whitewash. The segment has been driven by urbanization, the shortening of the re-painting cycle and industry initiatives such as expanding reach and introducing a variety of decorative products. The industry has recently witnessed a gradual shift in consumer preference from traditional whitewash to better, value for quality and value for money (VFM)' /'pyramid bottom (BOP)' paint, especially in the Tier 2 – 4 Cities.

Focus on growing bottom of the pyramid space. The industry's leading players have focused on increasing the bottom of the pyramid space, which is much broader in terms of volume as compared to the top and mid-segments. Further, companies reiterated that while the premium ranges continue to grow, the economy range (including emulsion, distemper and putty) have been widening at a higher rate, i.e. increased awareness among rural households to apply undercoat (putty and primer) before applying the paint (distempers) has helped drive demand of low-end products as well.

Initiatives by companies. Most of the eminent players in the decorative paint segment have attempted to actively expand their distribution network to penetrate the Indian market. Due to the rising number of smaller towns and villages, the strength of dealers, which has been projected at 120,000 to 150,000 outlets, is expected to grow at a CAGR of approximately 10% annually. Owing to this growth rate, companies have proactively expanded their distributor base in newer geographies, especially in Tier 2 – 4 Cities and Rural Areas. Indigo Paints initially tapped into the unsaturated markets of the Tier 2 – 4 Cities, where brand penetration was easier and the dealers had a greater ability to influence the customers' purchase decisions. These Tier 2 – 4 markets provided significant opportunity for growth and helped the company multiply its revenue and considerably expand its brand and presence in the Indian market.

Sustainable products and shift towards low VOC content. The paint companies have introduced products that provide health-centric services, such as anti-bacterial and anti-pollution/ air-purifying, and anti-fungal and stain resistant products. The market perceptions of the adverse effects of VOCs combined with stringent environmental legislations have increased the demand for low/ zero VOC paints and coatings. In India, the regulatory changes are driving the increase in adoption of water-solvent and high-solid coatings which have lower VOC content. Moreover, the adoption of green technologies and bio-based materials has seen to positively impact water-based coatings demand in the country.

Set forth below is the relative size of the Indian decorative paints industry, in value (₹ billion) for 2019:



Source: IBEF

A diversified customer base with under penetration, lower competitive intensity and stifled demand has brought the growth of the paint industry almost in line with the traditional fast-moving consumer goods industry, making it an appealing investment for a long-term investor. The competitive and economic demand will remain critical considerations for further market penetration.

Growth Drivers

- Government's 'Housing for All/ affordable housing' measures has helped fresh demand for painting and will help re-painting demand in the future. Pradhan Mantri Awas Yojana (PMAY), an initiative by the Government of India ensures affordable house for all in the urban areas with a target of building 20 million affordable houses by March 31, 2022. It has two components: one for the urban poor and the other for the rural poor. Under the urban component, a demand of 11.2 million houses in urban areas has been validated. In Fiscal 2020, the total number of houses sanctioned under the scheme had crossed 10 million.

- Smart cities - In order to sustain the rapid urbanization in India, the Government launched the Smart City Mission in 2015, with an intention to develop 109 cities as Smart Cities over the next 5 years. This is expected to lead to larger number of commercial and residential complexes being created driving the demand for decorative paints.

- AMRUT - Atal Mission for Rejuvenation and Urban Transformation was launched by the Government to provide basic civic amenities which will involve renovation of 500 cities.

- Urbanization – The rise in urbanization, supported by demand for real estate and improved infrastructure, has increased the application of paint. India's trajectory of urbanization has grown well from 25.6% in 1990 to 34.5% in 2019 (34.9% in 2020 (estimated). The rise in urbanization, supported by demand for real estate and improved infrastructure, has increased paint application. The UN expects that by 2030 approximately 40% of the population of India will reside in urban areas. Urban areas contributed 47.0% of India's GDP in 2000, and are expected to contribute to 70.0% of India's GDP in 2030.

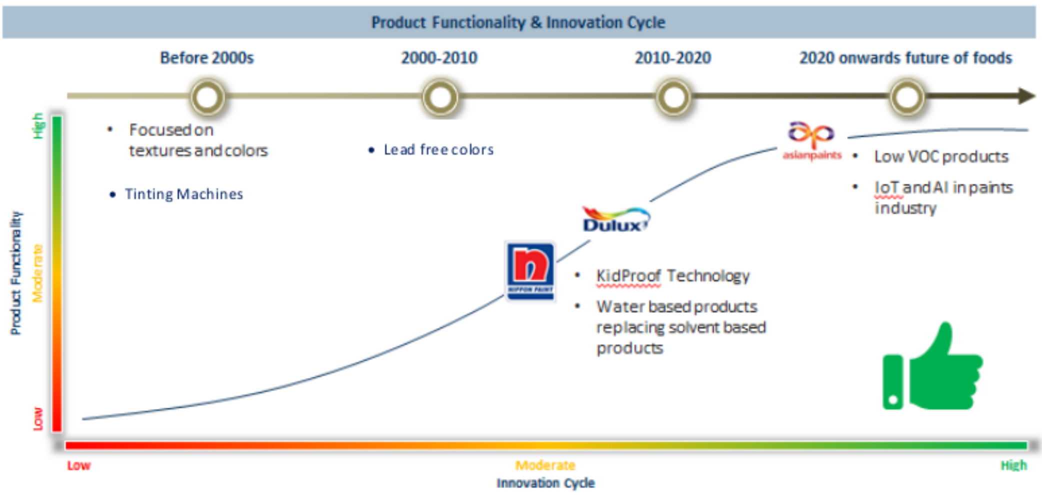
- Real Estate Sector Growth – The residential real estate sector (top 7 cities) has remained resilient in 2019 with sales increasing 6% year-on-year despite muted consumption expenditure. However, there have been challenges in 2020 in India owing to the impact of the on-going pandemic. The first quarter of Fiscal 2020 witnessed a decline in sales on a year-on-year basis as the buyers deferred their purchase decisions due to the impending crisis, which led to the sales declining by nearly 30% in the first quarter of Fiscal 2020 on a year-on-year basis. The real estate sector in India is expected to reach US$ 1 trillion by 2030. By 2025, it has been estimated to contribute 13% to India's GDP. Emergence of nuclear families, rapid urbanization and rising household income are likely to remain the key drivers for growth of real estate.

Innovations in the Industry

The industry has witnessed shifts in upgrading/ pre-minimization over more than a decade, including moving from: (i) distemper to interior emulsion; (ii) mid-segment to top-end segment; (iii) low-end to top-end segment; (iv) cement paint to exterior emulsions; and (v) unorganized to organized in smaller towns, especially in Tier 3 and 4 Cities and Rural Areas.

While metros and Tier 1 and 2 Cities comparatively contribute significantly to the top-end product market, smaller towns have also indicated increased interest in premium products, on the back of increased consciousness of aesthetics and availability of resources to opt for better quality products at higher prices. Another reason for opting premium variants is inflexible labour cost at all levels, making option of paint variant relatively indifferent. There have currently been fewer options available in the value-added sub category and mainly in the premium price ranges. However, with an increasing demand for these products, the companies are likely to launch more specialized products.

Set forth below is the product innovation cycle in the Indian paints industry:



Source: Frost & Sullivan

Tinting Machines increasing Barriers to Entry

Tinting machines have created hindrances to the delivery network. Many dealers are unable to install a new company's tinting machine mainly due to space constraints. The large number of SKUs and product ranges in emulsions renders installation of tinting machines imperative for timely distribution of different shades and products.

Installing tinting machines has been crucial in improving reach and enabling dealers to meet customer requirements, thereby reducing the expense of inventories. In order to match colours that suit the evolving needs of consumers, paint companies must have a range of colours that suit the consumer requirements and needs. Tinting machines come with added benefits of consistency, advanced technology, precision, high dosing speed and ease of operation. In the paint store, the tinting system provides the end user with a full solution compliant with the coating industry standards. By building a large network of more than 70,000 dealers, Asian Paints has developed its distribution network in a unique way. Since these dealers have low working space to store a wide range of paints, the business has built on tinting machines with the dealers retaining a maximum of one or two tinting machines to support the customers.

Different shades of emulsion paints are produced through in-shop tinting machines present at dealer outlets. These tinting machines are unique to each paint manufacturer due to the design specifications with respect to colorants, emulsion bases, fan–decks or shade cards, and customized software applications. These tinting machines are a pre-requisite for all dealers who sell emulsion paints. However, a stiff resistance for installation of these machines is encountered from dealers due to lack of physical space at their counters. As a result, most dealers tend to install tinting machines of only recognized players.

Indigo Paints has installed tinting machines across India through their focus on branding efforts, specifically in Tier 2 – 4 Cities and Rural Areas where the penetration of tinting machines is relatively low.

Set forth below is the company-wise growth in tinting machines (in thousands):

	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	35	14	10	3.2	1.9
FY20	46	20	17	5.5	4.3
CAGR %	14.6	19.5	30.4	31.1	51.2
Tinting Machine to Dealer ratio (FY20)	0.66 (66%)	0.67 (67%)	0.62 (62%)	0.37 (37%)	0.38 (38%)

Source: Company Websites, Frost & Sullivan

Note: Tinting Machine to Dealer Ratio gives an approximate penetration of the tinting machines for each company

Before 2000, machines used to cost approximately ₹ 1 million, due to being imported. With local manufacturing, the cost has decreased to ₹ 0.15 million, typically borne by the paint companies at least for Asian Paints and Berger Paints.

Digital Marketing

The ability of retail customers to visualize the colour of an architectural coating has been the key focus of digital marketing initiatives. Almost all leading manufacturers of architectural coatings now have a strong colour visualizer strategy to maintain their market share. However, there are other aspects of digital marketing as well including a digital magazine issued by Asian Paints, and digital communication channels developed by Kansai Paints by collaborating with construction companies.

Nanotechnology in paints

Nanomaterial is applied to improve paint's efficiency and provide it with new functionalities. For example, paints are easy to clean and are water/ dirt repellent, UV-protected, antimicrobial resistant, scratch resistant, with increased longevity.

Indigo Paints has been able to establish itself with a strong brand recall and a significant first mover advantage in product innovation. With Indigo Paints trying to expand its geographical reach and dealer network, a focus and investment on the use of technology across operations will benefit it further. Digitalization will help Indigo Paints adapt to the changes in the current market trends and anticipate the future trends as well.

COMPETITIVE LANDSCAPE

India Decorative Paints Industry: Market Share Analysis

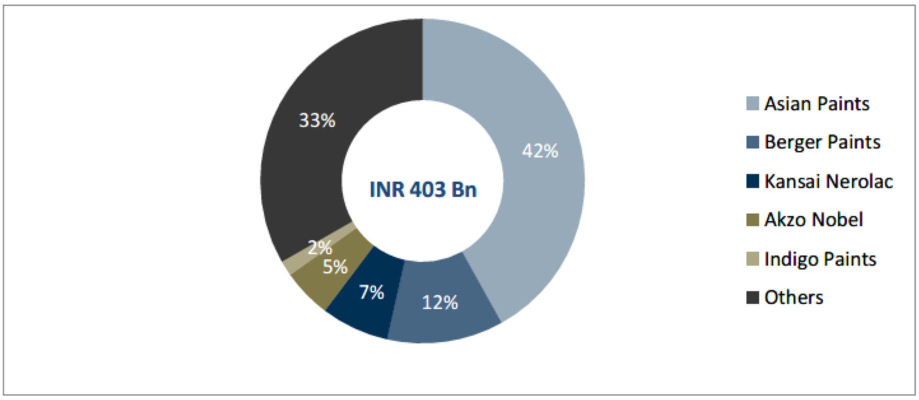
Oligopolistic market with strong entry barriers led by brands and distribution

The Indian paints and coatings market has been consolidated unlike the markets in Russia and China. The organized sector comprises major players such as Asian Paints, Kansai Nerolac, AkzoNobel and Berger Paints lead the business. The Indian paints market has been dominated by the decorative market contributing approximately 74% of the total paints market. The top 10 to 12 players account for around 77% of the organized market within the decorative market. The remaining 23% comprises small players.

Asian Paints is the market leader in the decorative paints industry and accounts for 42% of the total market. The decorative paint segment accounts for 95% to 97% of Asian Paints' revenue. Berger Paints follows Asian Paints in the decorative category to become the second largest contributor in the market, followed by Kansai Nerolac with over 45% to 50% of its revenue being derived from industrial paints. Akzo Nobel has slowly expanded its reach in the decorative market by evaluating options in the smaller cities with lesser competition.

Indigo Paints started its operations in 2000 and has been present across segments such as interior and exterior emulsions, enamels, wood coatings, putty, primers and ceiling and floor coats. Being the fifth largest player in the decorative segment, it has recently entered bigger markets such as Mumbai and Delhi. Other small paint companies with sizeable presence include Shalimar Paints, Nippon Paint India, Kamdhenu Paints and JSW Paints. Paint companies with lesser presence include Jenson & Nicholson Paints Private Limited (JNPL), Snowcem Paints, and Jotun Paints.

Set forth below is the competitive landscape of the Indian decorative paint industry, in terms of value (₹ billion), for 2019:



Source: Company Websites, Frost & Sullivan

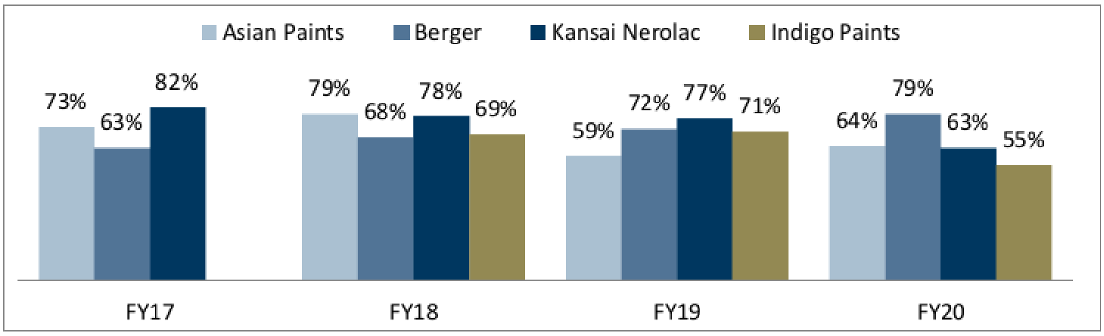
Set forth below is the company-wise capacity, and year-on-year growth in capacities (in MMT):

	Asian Paints	Berger Paints	Kansai Nerolac	Indigo Paints
FY17	1.13	0.56	0.35	
FY18	1.13	0.57	0.40	0.095
FY19	1.71	0.64	0.44	0.125
FY20	1.73	0.64	0.52	0.195

Source: Company Websites, Frost & Sullivan

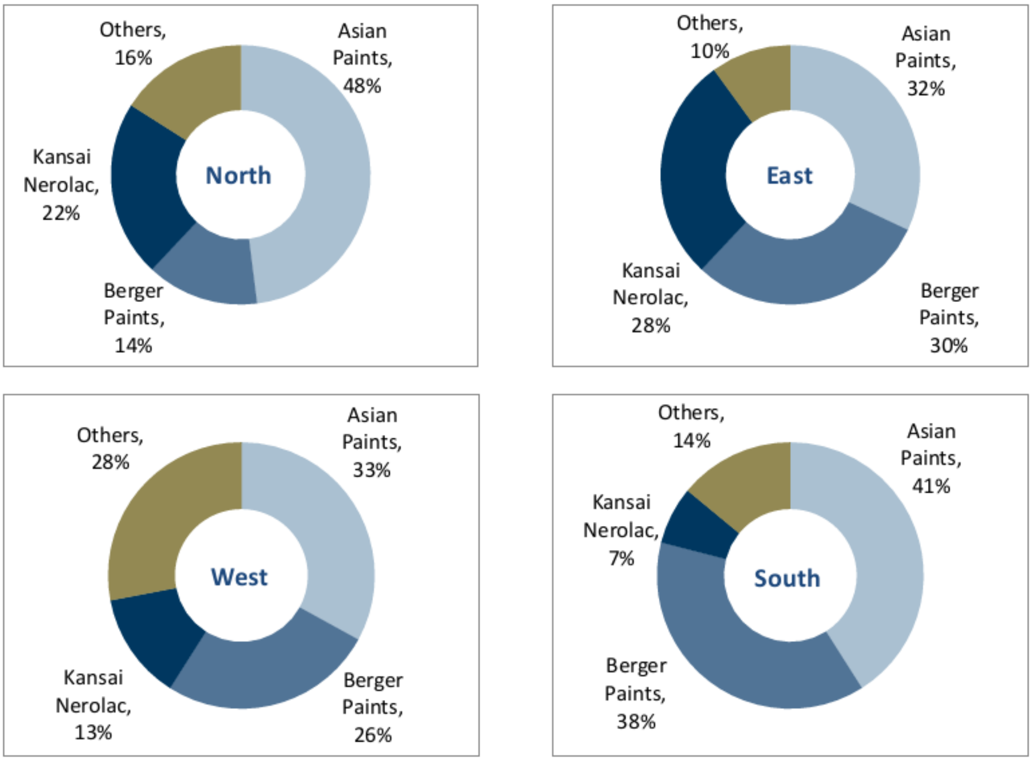
Note: The capacities have been rounded up. Total capacity of Indigo Paints in FY20 is 195,021 (water+powder)

Set forth below is the company-wise estimated capacity utilization :



Source: Company Websites, Frost & Sullivan

Set forth below is the company-wise market share, and estimated split by geography:



Source: Primary Research, Company Websites Sales, Frost & Sullivan

North: *Rajasthan, Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Chandigarh, Himachal Pradesh, Jammu & Kashmir*
South: *Karnataka, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Pondicherry*
East: *Bihar, West Bengal, Chhattisgarh, Orissa, Jharkhand, North Eastern region*
West: *Gujarat, Maharashtra, Madhya Pradesh, Goa*

Note: The regional shares are approximates

While most parts of India are largely dominated by Asian Paints, Asian Paints has a larger presence in Metro and Tier 1 Cities of these regions. The newer players such as JSW are establishing their presence in the southern region. The western regions, Maharashtra in particular, has seen a significant involvement of smaller players driven by the demand mainly from Tier 2 – 4 Cities. The competition has increased with the introduction of JSW Paints and Indigo Paints in the industry. The regional players such as Kamdhenu Paints have become aggressive to capture expand their position and gain more market share. Unlike the bigger players, Indigo Paints entered the market consisting of small cities, towns and Rural Areas. While the bigger paint companies are now tapping the Tier 2 – 4 Cities, Indigo Paints is leveraging its brand in those markets by venturing into Metros and Tier 1 Cities.

Market Penetration

Paint companies are required to spend significant resources to develop their distribution network to increase the visibility and reach of their products through direct distribution to dealers. The dealers are typically multi-brand and are located across metros, large cities, towns and Rural Areas. The market knowledge, finacial resources and time taken to develop such a anetwork is significant.

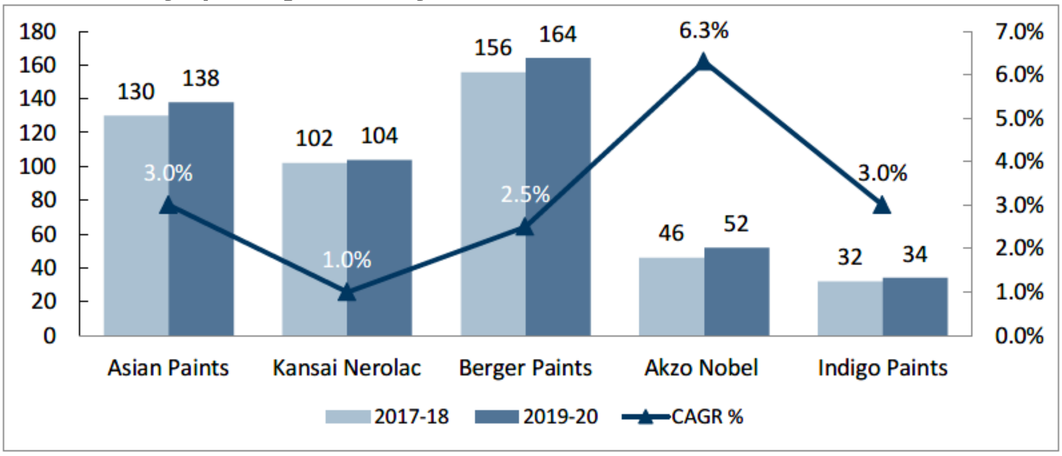
Set forth below is the company-wise growth in active distribution/ dealer network:

	2017-18	2019-20	CAGR
Asian Paints	53000	70000	14.9%
Kansai Nerolac	21000	27500	17.3%
Berger Paints	25000	30000	10.0%
Akzo Nobel	16500	15000	-4.7%
Indigo Paints	9210	11230	10.4%

Source: Company Websites, Frost & Sullivan

Note: Dealers considered here transact at least 2 times in 12 months

Set forth below is the company-wise growth in depots, as of March 31, 2020:



Source: Company Websites, Frost & Sullivan

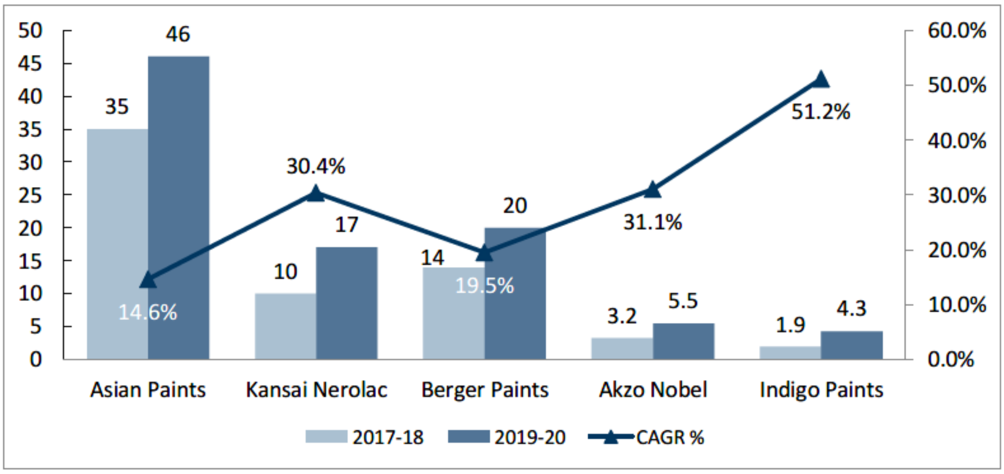
Asian Paints: Color World, an Asian Paints idea, accounts for approximately 75% of its distribution footprint in addition to the six regional distribution centers. Despite the rise of Color World at a CAGR of 11% during Fiscal 2018 to Fiscal 2020, the per-dealer throughput has not declined. The Color Concept stores have grown at a CAGR of approximately 21% from 200 in Fiscal 2015 to over 430 in Fiscal 2020.

Berger Paints: Berger Paints has steadily enhanced the efficiency of its distribution network by increasing its network of dealers in Tier 2/ 3 Cities (semi-urban/ rural) where it is easier to penetrate through dealers. The company has grown its distributor network by 10% to 12% annually (2,500-3,000 dealers) and has nearly achieved a penetration of over 80% in terms of tinting machines.

Kansai Nerolac: It is estimated that Kansai Nerolac added dealers at a CAGR of 16% to 18% in the last 2 years.

Indigo Paints: Indigo Paints' depots and dealer network has grown year-on-year. While Indigo Paints has recorded a higher CAGR for its dealer network in the newly entered regions in the North, the growth in the southern regions is comparatively lower as they have matured in the South.

Set forth below is the company-wise growth in tinting machines (in thousands):



Source: Company Websites, Frost & Sullivan

Terms of Trade

The industry has adopted two types of discounts, i.e. built-in discounts and scheme-based discounts. Built-in discounts are offered up front to dealers on a real-time basis. They are not related to the company's off take. Scheme discounts refer to a percentage discount based on the quantity/ quality of the products purchased from the business and not offered directly to the dealers.

Set forth below is the company-wise inventory and supply schedules:

Company	Inventory Days	Supply Schedules	Incentives/Margins	New products/services
Asian Paints	6-10 days	4-6 hours after placing order	3-5%	Sanitizer, Safe Painting
Kansai Nerolac	15-18 days	12-24 hours after placing order	8-10%	
Berger Paints	15-18 days	12-24 hours after placing order	10-15%	Sanitizer, Express Painting Services
AkzoNobel India	15-20 days	12-24 hours after placing order	8-10%	
Indigo Paints	15-18 days	12-24 hours after placing order	Cash and Scheme discounts	

Source: Primary Research, Company Websites, Bloomberg, Frost & Sullivan

Note: Inventory days are dealer inventory days based on primary research

The companies mainly focus on dealer margins with Asian Paints offering the lowest margins. Berger Paints provides the highest margins among the top four with almost 10% to 15% and up to 18% for specific dealers. Asian Paints and Berger Paints also provide direct cash discounts ranging between 3% to 5% to the dealers in case of early payments. As for Asian Paints, it prefers exclusivity wherein the dealers are expected to mainly distribute Asian Paints. In addition to the margins that the dealers receive, Asian Paints has loyalty programs and paid vacations as added incentives. While most major entities purely concentrate on dealer margins, cash or scheme discounts to dealers, Indigo offers a wide range of incentives to its dealers such as cash discounts, annual turnover rebate, long-term dealer loyalty program, among others.

PRODUCT PORTFOLIO

The industry has witnessed shifts in paint up-gradation in the last few years, the shift has mainly been from: (i) distemper to interior emulsion; (ii) mid to top-end category; (iii) bottom to top section; (iv) cement paint to exterior emulsions; and (v) unorganized to organized in smaller towns, especially in Tier 3 – 4 Cities and Rural Areas.

While metro, Tier 1 and to some extent Tier 2 Cities, have a relatively greater contribution to the top-end product offering, the demand and interest for premium products has been witnessed from the smaller towns as well. The customers are now more aesthetically conscious even in Rural Areas and have the means to opt for better quality products.

The advertising and branding strategy of Indigo Paint has been the differentiating factor. Indigo Paints operates only under one brand name, "*Indigo*". This strategy has helped the customers connect to the brand immediately without having to remember multiple brand names. Indigo Paints differentiates its products on the basis of the price point as Platinum, Gold, Silver and Bronze series. Indigo Paints has managed to keep its packaging uniform across all its brands to enhance brand recognition. Another characteristic that differentiates Indigo Paints' advertising strategy is that it only advertises its differentiated products. Indigo Paints was the first among its competitors to introduce coatings for the ceiling, tile and floor, with the competitors entering this space only now.

Indigo Paints is well established in Tier 3 and 4 Cities with extremely high penetration. Indigo Paints' media advertising spend has gradually increased over the years, and was comparable to the spend incurred by the major entities (excluding Asian Paints), in Fiscal 2020.

Indigo Paints has effectively managed to establish itself as a differentiator in the existing product categories in addition to evolving as a category creator by bringing new product innovations to the market. The company first introduced Metallic Emulsions in 2005 and has since entered new markets by introducing other differentiated products with regularity. Most recently they introduced their Exterior and Interior Acrylic Laminate and Enamels such as the PU Super Gloss Enamel in 2016, Dirtproof & Waterproof Exterior Laminate in 2017, resulting in a portfolio of seven such differentiated products as of September 30, 2020.

Owing to the distinct market they cater to, and as only few other companies continue to manufacture these products, the company focused their marketing efforts on this portfolio, resulting in increased acceptance and demand, thereby enhancing brand recognition for these products across their network of dealers.

Unique Products in the Existing categories:

- Dirt-proof & Water-proof Exterior Laminate – Indigo Paints launched India's first and only paint that gives equally effective protection from dirt as well as water; it offers superior resistance from dirt, while the silicone polymer repels water, and offers the walls an extremely smooth finish;
- Acrylic Laminate – Indigo Acrylic Laminate is a premium quality emulsion that gives the walls (both exterior and interior walls) a rich sheen finish offering a high quality finish to the walls;
- PU Super Gloss Enamels – Indigo Paints' PU Super Gloss Enamel is an all-surface enamel paint that delivers superior gloss and protects wood and metal with its anti-fungal and non-yellowing properties; and
- Polymer Putty – Indigo Paints' Polymer Putty is a white cement based putty with special polymers that gives double protection to the wall with a smooth and bright finish.

Unique Products disrupting market to create a New Category (first company to launch these products)

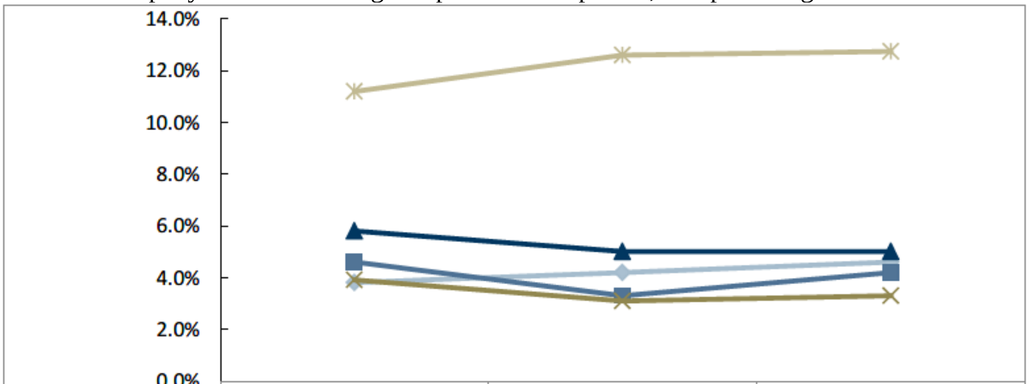
- Metallic Emulsion (Walls) – Indigo Paints pioneered the Metallic Emulsion segment, which gives a designer finish with glossy metallic texture effect. This has been used to glam up spaces suitable for interior and exterior walls of homes and offices, and is available in shades of Gold, Silver, and Copper;
- Tile Coat Emulsion (Roof Tiles) – The Tile Coat Paint is a special paint for external roof tiles that provides unmatched gloss and sheen with excellent protection against algae and fungus;
- Bright Ceiling Coat (Interior Ceilings) – Indigo Paints created a new category for Ceiling Paints with the introduction of the Bright Ceiling Coat which offers unmatched brightness to the ceilings with a smooth matt finish to enhance the brightness of the room; and
- Floor Coat Emulsion (Driveways) – This is India's first Floor Coat Paint that offers a glossy finish while also protecting the terrace floor, driveways, walkways and cement surfaces.

Marketing and Advertisement Campaigns

The paint companies have continuously invested in brand building through increased marketing and sales promotion expenditure. The companies have typically invested approximately 4% to 6% of their revenue into advertising and promotion with the intention of creating an emotional bond with the customers through advertisements.

The advertising and promotion spends of the top four paint companies was in the range of 3% to 6% in Fiscal 2018, 3% to 5% in Fiscal 2019 and Fiscal 2020.

Set forth below is the company-wise advertising and promotion expenses, as a percentage of sales:



	FY18	FY19	FY20
Asian Paints	3.8%	4.2%	4.6%
Berger Paints	4.6%	3.3%	4.2%
Kansai Nerolac	5.8%	5.0%	5.0%
Akzo Nobel	3.9%	3.1%	3.3%
Indigo Paints	11.2%	12.6%	12.7%

Source: Company websites, Frost & Sullivan

Set forth below is the company-wise advertising expenses for Fiscal 2020 (₹ million):

	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints	Nippon
TV	2,646.4	701.8	630.9	354.5	613.0	272.4
Print	219.7	31.0	0.01	0.06	26.3	13.4
Radio	17.4	7.6	0.2	0.04	0.0	2.1
Total	**2,883.5**	**740.4**	**631.11**	**354.6**	**639.3**	**287.9**

Source: BARC, Frost & Sullivan

Having attained near parity with the large players in terms of absolute media advertising spend in Fiscal 2020, Indigo Paints is estimated to make only marginal increases in their future media advertising expenses, and leverage their current cost structure to achieve growth and drive profitability by strengthening their brand.

FINANCIAL PERFORMANCE

Adoption of Indian Accounting Standards (Ind AS)

Asian Paints, Berger Paints, Kansai Nerolac and AkzoNobel adopted the Indian Accounting Standards (Ind AS) in Fiscal 2017. Fiscal 2017 numbers are published as per Ind AS and Fiscal 2016 numbers are restated as per Ind AS.

Key Impact Areas on Financials Results of Revenue Recognition – Ind AS 18

Revenue*:* In the financial statements prepared under Indian GAAP, cash discount and sales promotional expenses were shown as a part of other expenses. However, under Ind AS, the revenue is measured at the fair value of the consideration received/ receivable, taking into account any trade discounts and volume rebates. Ind AS mandatorily requires an entity to deduct discounts and sales schemes while reporting the revenue. On a review, it is clear that if Ind AS is applied, the revenue from operations as well as expenses will decrease.

Excise Duty*:* Earlier the revenue from operations was reported as the net of excise duty, however under Ind AS, excise duty need not be reduced from the 'Revenue' in the Statement of Profit and Loss. It has to be considered as a part of the expenses. On a review, it is clear that if Ind AS is applied, the revenue from operations as well as expenses will increase.

GLOSSARY

The information presented below and elsewhere in this section is based on the calculations set forth below:

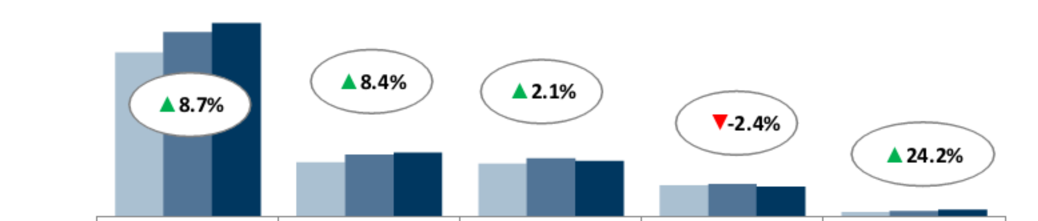
Term	**Description**
Adjusted Gross Margin	Adjusted Gross Margin is calculated as revenue from operations less Adjusted Material Costs
Adjusted Material Cost	Adjusted Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, excise duty on sale of goods, and freight and forwarding charges
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 [^ denotes 'raised to']
Capital Employed	Capital employed is calculated as total assets less current liabilities, plus short-term borrowings, current maturity of long-term debt and lease liabilities
Debt to Equity	Debt to equity is calculated as non-current borrowings plus current maturities of non-current borrowings, divided by total equity
EBITDA	EBITDA is calculated as restated profit for the period plus total tax expenses, plus exceptional items, plus finance costs and depreciation and amortization expenses, less other income
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
Gross Margin	Gross Margin is calculated as revenue from operations less Material Costs
Material Cost	Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, and excise duty on sale of goods
Other Operating Expenses	Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses
ROCE	Return on Capital Employed is calculated as EBIT divided by Capital Employed
ROE	Return on equity is calculated as restated profit for the year divided by total equity

Note: All the financial numbers mentioned for peers are on standalone basis.

General Financial Overview: Top Players

Revenue from operations (Fiscal 2018 – Fiscal 2020):

Revenue from Operations (INR Bn)



	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	145.6	48.4	47.4	27.9	4.0
FY19	163.9	55.2	51.7	29.2	5.3
FY20	171.9	56.9	49.4	26.6	6.2

Source: Company Websites

Growth of revenue from operations, CAGR % (Fiscal 2010 – Fiscal 2019, and Fiscal 2019 – Fiscal 2020):

	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY10-FY19	12.8%	13.1%	12.1%	12.5%	41.9%
FY19-FY20	4.9%	3.2%	-4.5%	-8.8%	16.6%

Source: Company Websites, Frost & Sullivan

Note: CAGR has been calculated based on the audited numbers. The numbers are not adjusted for accounting changes

The Indian paint industry is highly organized with nearly 67% of the market held by organized players. Indigo Paints has recorded the highest year-on-year revenue growth as compared to its peers. Unlike its peers, Indigo Paints' strategy has always been to build the brand from the smaller towns of India. The Tier 2 – 4 Cities being easy to penetrate has helped Indigo Paints multiply its revenue and compete in these markets. Despite Fiscal 2020 being impacted by COVID-19, the revenue from operations has recorded a higher growth between Fiscal 2019 and Fiscal 2020, as compared to the growth recorded by the top four paint companies in India. Indigo Paints competes with the top four companies as well as other smaller companies on the strength of their distribution network, brand recognition and ability to leverage their dealer relationships to install tinting machines.

Revenue from operations, year-on-year growth (Fiscal 2018 – Fiscal 2020):

Year on Year Growth in Revenue from Operations (%)

	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	1.4%	2.5%	4.5%	-2.7%	20.7%
FY19	12.6%	14.0%	9.2%	4.5%	33.4%
FY20	4.9%	3.2%	-4.5%	-8.8%	16.6%

Note:Y-o-Y growth for FY18 for Indigo Paints is not comparable as FY17 was under Indian GAAP and FY18 under Ind AS

Revenue from operations, year-on-year growth (Six months ended September 30, 2020):

Growth (%) (6 month growth % - Sep 30, 2020)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
Growth in Revenue from Operations	-19.5%	-21.6%	-30.3%	-36.1%	-4.9%
EBITDA Margin (6 months ending September 30, 2020)	23.2%	17.6%	18.0%	10.6%%	18.5%

Source: Company Websites

Gross Margins (Fiscal 2018 – Fiscal 2020):

Gross Margin (%)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	42.4%	40.0%	38.3%	42.7%	40.8%
FY19	42.6%	38.1%	36.2%	42.1%	44.3%
FY20	44.7%	40.8%	38.1%	45.8%	48.5%

Source: Company Websites

The Indian paint Industry has grown at a CAGR of 11% (Fiscal 2014 to Fiscal 2019). One of the key factors that helped Indigo Paints garner a high growth rate is the company's prominence in product innovation. The company's innovative products have helped them expand their distribution reach, as most retailers aspire to stock their unique products. The company has leveraged on the word-of-mouth publicity to create a niche space in the market. As a result of locational advantages and higher margins generated from its differentiated products, their Gross Margins have consistently been higher than the industry average. The company's Gross Margins are almost in the range of the Gross Margins recorded by the top four paint companies during the same period.

EBITDA Margin (Fiscal 2018 – Fiscal 2020):

EBITDA Margin (%) *(Based on operating revenue)*					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	20.1%	15.4%	16.7%	10.7%	6.4%
FY19	21.4%	15.6%	14.3%	11.7%	10.1%
FY20	22.4%	16.8%	15.8%	14.2%	14.6%

Source: Company Websites

Indigo Paints has recorded an EBITDA in line with the EBITDA recorded by the top three players, i.e. Asian Paints, Berger Paints and Kansai Nerolac each reporting an EBITDA of 22.4%, 16.8% and 15.8% respectively. Indigo Paints has recorded the highest year-on-year growth of revenue owing to its aggressive marketing and distribution strategy to improve brand salience. The major factor contributing to a slightly lower EBITDA as compared to its top competitors is the company's high spend on marketing and branding. The company spent a higher percentage of its revenue on advertising and promotions as against 4% to 5% spent by the top three companies in Fiscal 2020. Another factor resulting in a lower EBITDA is the high freight cost that Indigo incurs. Indigo Paints' outward freight costs are higher as compared to the others as its plants are closer to the raw material sources and it has to port longer distances for product delivery.

PAT Margin (Fiscal 2018 – Fiscal 2020):

PAT Margin (%)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	13.0%	8.9%	10.9%	7.4%	3.2%
FY19	13.0%	7.9%	9.0%	7.2%	5.0%
FY20	15.4%	12.3%	10.8%	8.9%	7.7%

Source: Company Websites

Some expenses of Indigo Paints are higher as compared to some of its peers, including freight cost, advertising and promotions, among others. Owing to this, the expenses increase leading to a lower profit for the year. The company has progressively been working on improving its margins.

Material Costs as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Material Cost as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	57.6%	60.0%	61.7%	57.3%	59.2%
FY19	57.4%	61.9%	63.8%	57.9%	55.7%
FY20	55.3%	59.2%	61.9%	54.2%	51.5%

Source: Company Websites

Freight and Forwarding as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Freight and Forwarding as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	6.1%	6.4%	4.7%	5.4%	11.0%
FY19	6.3%	6.4%	5.2%	5.1%	10.4%
FY20	6.3%	6.5%	5.4%	4.9%	10.5%

Source: Company Websites

Adjusted Material Costs as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Adjusted Material Cost as a % of Revenue from Operations *(Material Cost Incl. Freight & Forwarding)*					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	63.7%	66.4%	66.5%	62.7%	70.2%
FY19	63.7%	68.3%	69.0%	63.1%	66.1%
FY20	61.6%	65.6%	67.2%	59.1%	62.1%

Source: Company Websites

The material cost (excluding the freight cost) as a percentage of operating revenue is the lowest for Indigo Paints as the company is closely located to the source of raw materials. However, this leads to Indigo Paints spending greater amounts on outward freight charges to deliver the products to the consumption centers. The outward freight charges for its peers are comparatively lower as their manufacturing facilities are located close to the consumption centers. On combining the material costs and freight and forwarding charges, Indigo Paints is effectively at par with its peers with the range being comparable to the industry leader – Asian Paints and lower than Berger Paints and Kansai Nerolac.

Employee Costs as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Employee Costs as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	5.4%	5.6%	4.8%	9.9%	7.5%
FY19	5.5%	5.7%	4.9%	9.1%	6.8%
FY20	5.7%	6.0%	5.4%	9.6%	6.7%

Source: Company Websites

The Indian paint industry has an average annual attrition rate of approximately 25%, however, Indigo Paints has been successful in maintaining a low attrition rate over the past 5 years.

RoE (%) (Fiscal 2018 – Fiscal 2020):

RoE (%)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	24.3%	20.1%	16.5%	15.9%	10.1%
FY19	24.1%	18.5%	13.6%	18.6%	18.2%
FY20	28.1%	26.6%	14.1%	19.2%	24.3%

Note: FY18 numbers may not be strictly comparable, since RoE and RoCE are Pre-Ind AS 116 for some companies

RoCE (%) (Fiscal 2018 – Fiscal 2020):

RoCE (%)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	35.2%	28.8%	24.4%	21.0%	9.9%
FY19	32.6%	25.2%	20.2%	26.4%	17.3%
FY20	33.1%	30.0%	17.5%	23.9%	27.5%

Source: Company Websites

Note: FY18 numbers may not be strictly comparable, since RoE and RoCE are Pre-Ind AS 116 for some companies

Discounts as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Discounts as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	14.4%	-	9.7%	14.3%	11.4%
FY19	14.6%	-	9.8%	15.4%	11.4%
FY20	15.8%	-	11.0%	19.2%	11.4%

Source: Company Websites

Depreciation as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Depreciation as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	2.1%	2.3%	1.6%	2.1%	2.2%
FY19	3.3%	3.0%	1.7%	2.2%	3.2%
FY20	4.0%	3.0%	2.4%	3.0%	3.1%

Source: Company Websites

Finance Cost as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Finance Cost / Interest as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	0.14%	0.33%	-	0.13%	1.13%
FY19	0.48%	0.63%	-	0.15%	0.87%
FY20	0.46%	0.57%	0.10%	0.35%	0.90%

Source: Company Websites

Advertisement & Sales Promotion as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Advertisement & Sales Promotion as a % of Revenue from Operations					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	3.8%	4.6%	5.8%	3.9%	11.2%
FY19	4.2%	3.3%	5.0%	3.1%	12.6%
FY20	4.6%	4.2%	5.0%	3.3%	12.7%

Source: Company Websites

Other Operating Expenses as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020):

Other Operating Expenses as a % of Revenue from Operations (excluding Freight and A&P)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	6.9%	8.1%	6.3%	12.8%	4.6%
FY19	5.2%	7.1%	6.7%	13.0%	4.4%
FY20	5.7%	7.4%	6.5%	13.8%	4.0%

Source: Company Websites

Note: Other Operating expenses exclude depreciation, interest, freight & handling, advertisement and sales promotion expenses

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 23, 206 and 271, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 206.

Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to Indigo Paints Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Independent Market Report for Paints Sector in India" dated November 9, 2020 (the "**F&S Report**") prepared and issued by Frost & Sullivan India Private Limited commissioned by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are the fastest growing amongst the top five paint companies in India. We are the fifth largest company in the Indian decorative paint industry in terms of our revenue from operations for Fiscal 2020 (*Source: F&S Report*).

We have achieved this position in a highly competitive Indian decorative paint industry on the back of our multi-pronged approach. This includes introducing differentiated products to create a distinct market in the paint industry, building brand equity for our primary consumer brand of "*Indigo*", creating an extensive distribution network across 27 states and seven union territories as of September 30, 2020, and installing tinting machines across our network of dealers. To create demand for our differentiated products, we initially tapped into Tier 3, Tier 4 Cities, and Rural Areas, where brand penetration is easier and dealers have greater ability to influence customer purchase decisions (*Source: F&S Report*). We subsequently leveraged this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well. We engaged Mr. Mahendra Singh Dhoni, a sportsperson with pan-India appeal, as our brand ambassador, to enhance our brand image amongst end-customers. We concentrated these branding efforts on our differentiated products and then leveraged these efforts to increase distribution and sale of our complete range of decorative paint products. We subsequently introduced tinting machines in our target markets to increase sales of emulsion paints, which require in-shop tinting.

We manufacture a complete range of decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties and cement paints. We also identify potential product needs from customers and introduce differentiated products to meet these requirements, and create a distinct market for our products. For instance, we are the first company to manufacture and introduce certain differentiated products in the decorative paint market in India, which includes our Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions, Floor Coat Emulsions, Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel (together, "**Indigo Differentiated Products**") (*Source: F&S Report*). These products are differentiated based on the end-use they cater to, as well as added properties that they possess. Revenue generated, i.e. invoicing as per contracted price, from sales of Indigo Differentiated Products represented 26.68%, 27.58%, and 28.62% of our total revenue from operations in Fiscal 2018, 2019 and 2020, respectively. As the first company in India to develop these products, we have had an early mover advantage in the markets we are present in, which has allowed us to realize relatively higher margins for these products compared to the rest of our product portfolio. (*Source: F&S Report*)

As of September 30, 2020, we own and operate three manufacturing facilities located in Jodhpur (Rajasthan), Kochi (Kerala) and Pudukkottai (Tamil Nadu) with an aggregate estimated installed production capacity of 101,903 kilo litres per annum ("**KLPA**") for liquid paints and 93,118 metric tonnes per annum ("**MTPA**") for putties and powder paints. Our manufacturing facilities are strategically located in close proximity to raw material sources that reduces inward freight costs, lowering our cost of raw materials. We also intend to expand our manufacturing capacities at our facility at Pudukkottai in Tamil Nadu, by adding capacities to manufacture water-based paints to cater to the growing demand for these paints. The proposed installed production capacity of the expansion unit is 50,000 KLPA and it is expected to be operational during Fiscal 2023. For further information, see " – *Proposed Expansion Plans*" and "*Objects of the Offer*" on pages 167 and 91-112, respectively.

We typically commence distributing our products in new states to dealers in Tier 3, Tier 4 Cities and Rural Areas, and subsequently leverage this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well. As of March 31, 2018, 2019, and 2020, our distribution network comprised 33, 33 and 36 depots, and 9,210, 10,246 and 11,230 Active Dealers in India, respectively. As of March 31, 2018, 2019 and 2020, the total number of tinting machines that we placed across our network of dealers was 1,808, 3,143 and 4,296, respectively. We work closely with our dealers and the painter community to understand customer preferences, receive feedback on our products and that of our competition, which enables us to formulate an effective strategy for product development, sales, marketing and pricing.

We believe that our differentiated growth strategy and focused execution has continued to deliver profitable growth to our stakeholders. We have been consistently profitable in the last three fiscals, despite increasing our marketing spends. The table below sets forth certain key operational and financial metrics for the periods indicated:

Particulars	**As of/ for the year ended March 31,**			**As of/ for the six months ended September 30,**	
	2018 (proforma)	**2019**	**2020**	**2019**	**2020**
	(₹ million, except percentages)				
Revenue from Operations	4,014.76	5,356.29	6,247.92	2,726.36	2,594.20
Gross Margins (%)	40.80%	44.27%	48.47%	46.63%	47.88%
EBITDA	258.02	540.92	909.88	234.55	480.89
EBITDA Margins (%)	6.43%	10.10%	14.56%	8.60%	18.54%
Restated Profit For the Year/ Period	128.62	268.70	478.15	59.94	272.05
Restated Profit for the Year/ Period as a Percentage of Total Income (PAT Margin) (%)	3.19%	5.00%	7.63%	2.19%	10.45%
Capital Employed	1,727.89	2,222.55	2,654.97	2,365.18	2,722.63
ROCE (%)	9.89%	17.26%	27.50%	6.16%	13.85%
ROE (%)	10.09%	18.22%	24.27%	3.86%	12.12%
Debt to Equity (ratio)	0.28 : 1	0.41 : 1	0.25 : 1	0.41 : 1	0.13 : 1

Strengths

Track record of consistent growth in a fast growing industry with significant entry barriers

We are the fastest growing amongst the top five paint companies in India. We are the fifth largest company in the Indian decorative paint industry in terms of our revenue from operations for Fiscal 2020 (*Source: F&S Report*). The Indian decorative paint industry presents significant entry barriers. These market entry barriers include the development of an extensive distribution network through relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance (*Source: F&S Report*). We believe that our differentiated, strategic approach in addressing these issues has resulted in our continued success.

Our revenue from operations have grown at a CAGR of 41.9% between Fiscal 2010 and Fiscal 2019, compared to the range of 12.1% to 13.1% recorded by the top four paint companies in India (*such calculation is based on respective audited financial information and has not been adjusted for accounting changes*) (*Source: F&S Report*). Despite Fiscal 2020 being impacted by COVID-19, our revenue from operations have grown by 16.65% between Fiscal 2019 to Fiscal 2020, against the range of (8.8)% to 4.9% recorded by the top four paint companies in India. (*Source: F&S Report*) We have achieved this position in a highly competitive Indian decorative paint industry on the back of our multi-pronged approach. This includes introducing Indigo Differentiated Products to create a distinct market in the paint industry, building brand equity for our primary consumer brand of "*Indigo*", creating an extensive distribution network, and installing tinting machines across our network of dealers.

The decorative paint industry has grown at a CAGR of 11.5% from Fiscal 2014 to Fiscal 2019, driven by consumption of paints in Tier 2 – Tier 4 Cities. COVID-19 has impacted Metros and urban India more than Tier 2 – Tier 4 Cities and recovery outside the main cities has been faster. For the paint industry, Tier 2 – Tier 4 Cities and Rural Areas account for nearly half the total sales. The pandemic-led decline in demand is therefore likely to have the least impact on us as compared to the other players as our predominant focus is on Tier 2 – Tier 4 Cities (*Source: F&S Report*).

The Indian decorative paints market is expected to record a growth rate of approximately 13% in value and 10.2% in volume through 2024, driven by an increase in the disposable income of individuals and families, and various housing schemes, among others (*Source: F&S Report*).

Differentiated products leading to greater brand recognition and enabling expansion into a complete range of decorative paint products

We consistently seek to launch first-to-market products by identifying niche product opportunities and introducing products that address these requirements. We were the first company to introduce certain category-creator products, including our Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions and Floor Coat Emulsions in the decorative paint market in India (*Source: F&S Report*). Other products that we introduced include our Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and PU Super Gloss Enamel (*Source: F&S Report*), that comprise our value-added product portfolio. These category-creator and value-added products comprise our portfolio of Indigo Differentiated Products and are differentiated from other products based on their end-use specifications and in terms of certain added properties. For further information, see "*- Business Operations – Our Product Portfolio – Indigo Differentiated Products*" on page 163.

We first introduced our Metallic Emulsions in 2005 and have since entered new markets by introducing other differentiated products with regularity, and most recently introduced our PU Super Gloss Enamel in 2016 and Dirtproof & Waterproof Exterior Laminate in 2017 (*Source: F&S Report*), resulting in a portfolio of seven Indigo Differentiated Products as of September 30, 2020. As the first company in India to develop certain category-creator products, we have had an early mover advantage in the markets we are present in, which has allowed us to set the pricing terms for these products (*Source: F&S Report*), resulting in higher margins for these products compared to the rest of our product portfolio. Owing to the distinct market they cater to, and as only few other companies continue to manufacture these products (*Source: F&S Report*), we focused our marketing efforts on this portfolio, resulting in increased acceptance and demand, thereby enhancing brand recognition for these products across our network of dealers. Accordingly, revenue generated, i.e. invoicing as per contracted price, from sales of Indigo Differentiated Products represented 26.68%, 27.58%, and 28.62% of our total revenue from operations in Fiscal 2018, 2019 and 2020, respectively. We believe these products have enabled us to build strong brand equity among end-customers and dealers thus aiding penetration of other decorative paint products.

Focused brand-building initiatives to gradually build brand equity

We have strategically undertaken brand-building initiatives to gain visibility with prudent use of resources, gradually increasing branding and marketing expenses consistent with the growth of our business. Our advertisement and sales promotion expenses represented 11.22%, 12.63%, and 12.65% of our revenue from operations in Fiscal 2018, 2019 and 2020, respectively. The advertising and promotion spends as a percentage of revenue from operations of the top four paint companies was in the range of 3.8% to 5.8% in Fiscal 2018, 3.1% to 5.0% in Fiscal 2019, and 3.3% to 5.0% in Fiscal 2020 (*Source: F&S Report*). Our Media Advertising Spends (that are a part of advertising and sales promotion expenses) have gradually increased over the years, and amounted to ₹ 615.15 million in Fiscal 2020. Our media advertising spend in Fiscal 2020 is comparable to the spend incurred by the major companies (excluding the market leader) (*Source: F&S Report*). We believe our concentrated brand building efforts have helped develop brand equity with limited spend over the years in a market that has historically been dominated by companies that have invested considerable resources on developing their brand over several decades.

Our initial advertising campaigns revolved around our Indigo Differentiated Products for better recognition of these products and to reinforce our association with them. We have strategically branded our products under the distinct and primary consumer brand of "*Indigo*" with different labels based on price points such as "*Platinum Series*", "*Gold Series*", "*Silver Series*", and "*Bronze Series*" rather than focusing on product-specific sub-brands. In our experience, product-specific sub-branding promotes product visibility over brand recognition and hampers brand recall. We have also standardized our packaging design to provide uniformity and enable easier brand recognition at dealer outlets. We have engaged Mr. Mahendra Singh Dhoni, a sportsperson with a pan Indian appeal across demographics, as our brand ambassador. We have also created a mascot for our brand, a zebra with colourful stripes that regularly features in our marketing materials, to increase brand recall. To build brand visibility and recall, and engagement with dealers, we liaise with dealers to display boards and carry out in-shop branding at their outlets.

We have leveraged our brand recognition and goodwill in the market for our Indigo Differentiated Products, by gradually introducing and gaining visibility for our other product segments. This approach has allowed us to efficiently manage marketing and advertisement expenses and yet achieve extensive brand recognition within a relatively short period of time.

Extensive distribution network for better brand penetration

Paint companies are required to spend significant resources to develop their distribution network to increase the visibility and reach of their products through direct distribution to dealers. The dealers are typically multi-brand and are located across Metros, large cities, towns as well as Rural Areas. For a paint company, the market knowledge, financial resources and time required to develop such a network is significant. (*Source: F&S Report*) We have established our distribution network gradually and strategically through the bottom-up approach with prudent use of time, cost and resources. As a relatively new entrant in the market, we first focused on dealers in Tier 3, Tier 4 Cities, and Rural Areas, where brand penetration is easier and dealers have greater ability to influence customer purchase decisions (*Source: F&S Report*). This helped us engage with a larger base of dealers across Tier 3, Tier 4 Cities, and Rural Areas, which we subsequently leveraged to expand into larger cities and metros such as Kanpur, Kochi, Thiruvananthapuram, Patna and Ranchi. We first approached dealers in these markets with our Indigo Differentiated Products, being products with greater marketability, to improve penetration of our brand and strengthen our relationship with these dealers. We then capitalized on these relationships to distribute a wider range of decorative paints. As of March 31, 2018, 2019, and 2020, our distribution network comprised 9,210, 10,246 and 11,230 Active Dealers in India, respectively.

Our dealer network is also well integrated with our marketing and promotional activities, and helps in strengthening our brand image. For instance, some of our dealers display advertising boards for our products and life-size cutouts of our brand ambassador at their outlets to attract consumers. We also consistently engage with our dealers and the painter community by distributing branded merchandise and conducting a range of activities such as painter meets where trained engineers carry out a blind testing of our products against those of our competitors. We have also recently introduced loyalty programs for our dealers and painters to further strengthen our relationship with them. These engagements help us collect product feedback and insights on emerging trends that we then leverage to refine our product development activities.

We have a well-integrated SAP system to manage inventory and effectively service our dealers. For efficient service, we engage with dealers through depots that we have set-up at major locations across our distribution network. As of March 31, 2018, 2019, 2020 and as of September 30, 2020, we had 33, 33, 36 and 40 depots, respectively.

Leveraged brand equity and distribution network to populate tinting machines

Emulsions are the largest and among the fastest growing product segment within the Indian decorative paint industry (*Source: F&S Report*). The market for emulsions was valued at ₹ 163.9 billion in Fiscal 2019, and is expected to grow at a CAGR of 13.60% and amount to ₹ 309.5 billion by Fiscal 2024 (*Source: F&S Report*). Different shades of emulsion paints are produced through in-shop tinting machines present at dealer outlets. These tinting machines are unique to each paint manufacturer due to design specifications including with respect to colorants, emulsion bases, fan-decks or shade cards, and customized software applications. These tinting machines are a prerequisite for dealers who sell emulsion paints. However, stiff resistance for installation of these machines is encountered from dealers due to space constraints. As a result, dealers tend to install tinting machines of only recognized players (*Source: F&S Report*). We have, through our focused branding efforts, been able to gain recognition within the Tier 3, Tier 4 Cities, and Rural Areas that we cater to, where the existing population of tinting machines is relatively low (*Source: F&S Report*). This has introduced us to a large number of dealers that have few or no tinting machines at their premises, thereby making acceptance of our tinting machines at these locations relatively easier. We are now gradually adding tinting machines at dealer outlets in larger cities and Metros as well.

We started installing tinting machines in Fiscal 2014, which gained momentum from Fiscal 2018. During the last three fiscals, we installed an average of 1,223 tinting machines every fiscal, and as of September 30, 2020, we had a total of 4,603 tinting machines across our network of dealers in India. As a result, gross revenue generated, i.e. invoicing as per contracted price, from sales of our emulsion paints have grown from ₹ 1,858.56 million in Fiscal 2018 to ₹ 3,121.39 million in Fiscal 2020. Our tinting machines are manufactured by recognized international companies and are capable of producing unlimited shades. While we actively promote our machines, increasing acceptance of our machines by dealers indicates greater demand for our emulsion products and stronger commitments by dealers to continue their engagements with us.

Strategically located manufacturing facilities with proximity to raw materials

As of September 30, 2020, we operated three manufacturing facilities in India, located in the states of Rajasthan, Kerala and Tamil Nadu. We plan our capital expenditure in advance and have periodically carried out capacity expansions at our facilities to cater to the increased demand for our products. Our aggregate estimated installed production capacity has increased progressively over the years from 46,608 KLPA and 48,944 MTPA as of March 31, 2018 to 101,903 KLPA and 93,118 MTPA as of March 31, 2020. Our manufacturing facilities are strategically located in proximity to our raw material sources, which reduces inward freight costs and results in lower cost of raw materials.

Our facility at Jodhpur (Rajasthan) is used to manufacture water-based paints and cement-based paints and putties. For water-based and cement-based paints manufactured at Jodhpur, the principal raw materials are white cement, minerals including lime, dolomite, calcite and talcum, and acrylic emulsions. These raw materials are available abundantly within Rajasthan and in its neighboring state of Gujarat.

We strengthened our presence in southern India and gained access to solvent-based paints through the acquisition of Hi-Build Coatings Private Limited and its facilities at Kochi (Kerala) and Pudukkottai (Tamil Nadu) in Fiscal 2016. For water-based paints manufactured at Kochi, the principal raw materials are acrylic emulsions that we predominantly source from the neighboring states of Tamil Nadu and Karnataka, minerals that we principally import from Vietnam, and titanium dioxide and china clay that are available within Kerala. For solvent-based paints manufactured at Pudukkottai, the principal raw materials include alkyd resins that we mainly source from manufacturers based in Tamil Nadu and the neighboring state of Telangana, and turpentine oil that is available from refineries within Tamil Nadu.

As a result of locational advantages and the higher margins generated from the Indigo Differentiated Products, our Gross Margins have consistently been higher than the industry average (*Source: F&S Report*). Our Gross Margins were 40.80%, 44.27% and 48.47% in Fiscal 2018, 2019 and 2020, respectively. Gross margins recorded by the top four paint companies was in the range of 38.3% to 42.7% in Fiscal 2018, 36.2% to 42.6% in Fiscal 2019, and 38.1% to 45.8% in Fiscal 2020 (*Source: F&S Report*). Our Gross Margins were 46.63% and 47.88% in the six months ended September 30, 2019 and 2020, respectively.

Well-qualified and professional management team with a committed employee base

We have a strong management team with considerable industry experience. Our Promoter Mr. Hemant Jalan and our Executive Director Mr. Narayanan Kutty Kottiedath Venugopal have been instrumental in the growth of our business. Mr. Hemant Jalan has over two decades of experience in the paint industry. Mr. Narayanan Kutty Kottiedath Venugopal has several years of experience in the paint industry and was previously the managing director of Hi-Build Coatings Private Limited. For further information, see "*Our Management*" beginning on page 182.

Our Board of Directors includes a combination of management executives and independent members who bring in significant business expertise including in the areas of manufacturing, sales and marketing. We have also benefitted from the investments by Sequoia in Fiscal 2015 and the support of their nominee director on our board. We also have a well-qualified senior management team with extensive experience in the paint industry, which positions us well to capitalize on future growth opportunities. The heads of functional groups, such as production, finance, strategy and planning, enhance the quality of our management with their specific and extensive industry experience.

We are supported by our committed employee base and believe we have a mutually beneficial relationship with our employees. We follow a lean operational structure and focus on engaging relatively young professionals. We believe this helps in containing our operating expenses, while consistently maintaining our drive for growth. We have stringent recruitment policies and hire qualified individuals with engineering or management degrees. We also incentivize our employee base through ESOPs and performance-linked incentives, that we believe has helped contain employee attrition.

Strategies

Continue to focus on developing differentiated products to grow market share

We intend to continue to grow our portfolio of differentiated products going forward as these products have widened the end-user base that we cater to and typically have a higher margin profile than other decorative paint products. In particular, we will continue to identify potential product opportunities in the market, and focus on developing category-creator products to cater to distinct requirements in the Indian decorative paint industry. To identify these opportunities, we extensively engage with dealers and the painter community though our ground level sales team to understand the demand dynamics for various products in the market. We also seek to innovate and develop products with distinguished properties by undertaking research, attending industry trade fairs, and keeping abreast with industry trends and practices.

By introducing more category-creator and value-added products, we expect to continue to benefit from the early mover advantages that we have experienced in the past. We will continue to leverage the brand equity and dealer network created by these niche products to distribute our wide range of products in markets where we have been present for a considerable period, and to enter new markets, to further increase our market share.

Further strengthen our brand to consolidate our position as a leading paint company in India

We have been making consistent efforts to strengthen the "*Indigo*" brand and increase brand recall through marketing initiatives. We have consciously developed our portfolio of products under the primary consumer brand of "*Indigo*", with variants such as "*Platinum Series*", "*Gold Series*", *"Silver Series"*, and "*Bronze Series*", for better brand recall. We have also standardized our packaging design to provide uniformity and enable easier brand recognition at dealer outlets. Key initiatives in the past few years include engaging a brand ambassador, Mr. Mahendra Singh Dhoni, sportsperson with a pan-India appeal across demographics, for a period of three years with services being provided with effect from May 1, 2018.

Our advertising efforts have been focused on select products that we believe differentiate us from our competitors. We have over the past three fiscals gradually increased our media advertising spends consistent with our financial growth. Having attained near parity with the large players in terms of absolute media advertising spend in Fiscal 2020 (*Source: F&S Report*), we now intend to make only marginal increases in our future media advertising expenses, and leverage our current cost structure to achieve growth and drive profitability while strengthening our brand. We believe we are well positioned to strengthen the "*Indigo*" brand across our dealer network. We intend to increase the visibility of our products in larger cities within states where we already have a presence in Tier 3, Tier 4 Cities, and Rural Areas. We also propose to leverage the goodwill we have generated with our Indigo Differentiated Products, to expand our branding efforts to our overall product portfolio. We believe our branding efforts have laid the foundation to further strengthen our position as one of the leading paint companies in India.

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

Our key focus is to increase our penetration in the markets where we currently operate by replicating the same proposition that has helped us grow in the past. There is significant untapped opportunity in Metros and larger cities (*Source: F&S Report*) that can be capitalized by expanding our distribution network. In states where we have been present for a significant period of time such as Kerala, West Bengal, Bihar, Jharkhand, Chhattisgarh, Odisha and Uttar Pradesh, we have expanded our existing network in Tier 3, Tier 4 Cities, and Rural Areas, outwards into Tier 1 and Tier 2 Cities. For instance, we have a significant presence in larger cities including Kochi and Thiruvananthapuram (Kerala), Patna (Bihar), Ranchi (Jharkhand) and Kanpur (Uttar Pradesh), and intend to continue to expand our network outwards into other Tier 1 and 2 Cities and Metros in these states. In states that we have recently entered such as Telangana, Gujarat, Maharashtra, Karnataka and Tamil Nadu, we intend to similarly proliferate our presence in these regions by first targeting Tier 3, Tier 4 Cities, and Rural Areas, and then leveraging this network to larger cities, to be able to capture and build on the dealer network in these regions. As of March 31, 2020, we had a network of 3,292 Active Dealers in these five states, and intend to engage with more dealers to strengthen our existing sales infrastructure and network in these regions. We also are in process of increasing our presence in North India, particularly in the states of Punjab and Uttarakhand, and the union territory of Jammu & Kashmir, where we have recently commenced distributing our products. The industry leader had the largest dealer network as of March 31, 2020, with over 70,000 dealers (*Source: F&S Report*), compared to our network of 11,230 Active Dealers in India as of March 31, 2020. We will therefore continue to grow our network of dealers commensurate to the size of our operations and the markets we target.

Successful expansion of our distribution network depends on recognition of our brand among potential dealer-partners and acceptance of our tinting machines at such new locations. To achieve this, we are in the process of carrying out branding activities in our targeted markets and establishing depots at strategic locations for more effective distribution. In markets where we are not present, we intend to initially market and distribute our portfolio of Indigo Differentiated Products followed by our entire portfolio of products. In order to increase distribution and sale of our emulsion products, we continue to invest in populating tinting machines. We have been gradually leveraging our growing brand equity and adopting alternate means to provide tinting machines with inbuilt computers to achieve this. The tinting machine to dealer ratio was in the range of 37% to 67% for the top four paint companies as of March 31, 2020 (*Source: F&S Report*), while our tinting machine to Active Dealer ratio was 38.25% as of March 31, 2020 and 41.89% as of September 30, 2020. We had a total of 4,296 and 4,603 tinting machines across our network of dealers as of March 31, 2020 and September 30, 2020, respectively, and continue to seek opportunities in our targeted markets to improve this ratio.

Expand our manufacturing capacities

We intend to expand our manufacturing capacities to aid our growth efforts and consolidate our pan-India presence.

To cater to the increased demand for water-based paints, we intend to use a part of the Net Proceeds towards expansion of our manufacturing facilities. Consumption of water-based paints is rising globally, and demand is expected to remain high (*Source: F&S Report*). In India, regulatory changes are expected to increase adoption of water-solvent and high solids coatings which has lower contents of volatile organic compounds (*Source: F&S Report*). Moreover, adoption of green technologies and bio-based materials may positively impact the demand for water-based coatings in the country (*Source: F&S Report*).

We currently manufacture only solvent-based paints at our manufacturing facility in Tamil Nadu. We intend to expand our capacities at Pudukkottai to include manufacturing of water-based paints to cater to the growing demand for water-based paints. In order to achieve this, we have acquired additional land adjacent to our existing unit at Pudukkottai and have finalized the blueprint and design specifications for the first phase of the proposed expansion. Post completion of the first phase of our proposed expansion plans, the expansion unit is expected to have an estimated installed capacity of 50,000 KLPA and it is expected to be operational during Fiscal 2023. For further information, see "*Objects of the Offer*" on pages 91-112.

We are also in the process of carrying out capacity expansion plans at our existing Jodhpur Facility. These additions are being carried out at both Unit I and Unit II with respect to liquid paints such as emulsions and primers, and powder paints such as putties.

Business Operations

Our Product Portfolio

Our portfolio of decorative paint products comprises emulsion paints, enamels, wood coatings, distempers, primers, putties and cement paints. We manufacture and sell most of our products under the "*Indigo*" brand of paints. Our products are categorised into four price points: *Platinum Series, Gold Series, Silver Series* and *Bronze Series.*

The table below sets forth our product-wise volume of sales for the years indicated:

Produce-wise Volume of Sales (MT/ KL)			
Product Category	**Fiscal**		
	2018 (proforma)	**2019**	**2020**
Cement Paints and Putty (MT)	35,709	45,243	57,225
Emulsions (KL)	12,490	16,866	19,565
Enamels and Wood Coatings (KL)	4,451	5,248	5,260
Primers, Distempers and Others (KL)*	15,730	20,206	21,940

** Distempers are manufactured in MT.*

In the six months ended September 30, 2019, volume of sales of cement paints and putty; emulsions; enamels and wood coatings; and primers, distempers and others, amounted to 25,425 MT, 8,589 KL, 2,585 KL, and 11,231 KL, respectively. In the six months ended September 30, 2020, volume of sales of cement paints and putty; emulsions; enamels and wood coatings; and primers, distempers and others, amounted to 27,192 MT, 7,058 KL, 2,439 KL, and 11,501 KL, respectively.

The table below sets forth our product-wise gross revenue (invoicing as per contracted price) for the years indicated:

Gross Revenue (Invoicing as per Contracted Price) (₹ million)			
Product Category	**Fiscal**		
	2018 (proforma)	**2019**	**2020**
Cement Paints and Putty	634.11	795.19	1,007.66
Emulsions	1,858.56	2,597.92	3,121.39
Enamels and Wood Coatings	974.92	1,205.84	1,234.66
Primers, Distempers and Others	963.63	1,346.83	1,525.37
Gross Revenue (Invoicing as per Contracted Price)	**4,431.22**	**5,945.78**	**6,889.09**

In the six months ended September 30, 2019, gross revenue (invoicing as per contracted price) from sale of cement paints and putty; emulsions; enamels and wood coatings; and primers, distempers and others, amounted to ₹ 449.20 million, ₹ 1,332.85 million, ₹ 602.92 million, and ₹ 742.08 million, respectively, aggregating to ₹ 3,127.05 million. In the six months ended September 30, 2020, gross revenue (invoicing as per contracted price) from sale of cement paints and putty; emulsions; enamels and wood coatings; and primers, distempers and others, amounted to ₹ 492.36 million, ₹ 1,091.75 million, ₹ 579.37 million, and ₹ 807.14 million, respectively, aggregating to ₹ 2,970.62 million.

Emulsion Paints

Emulsion paints refer to water-based paints, consisting of water dispersible binders, additives and colorants. These paints impart properties including aesthetic colour tones, smooth surface finish, washability, stain resistance, and fungal resistance.

All our emulsion paints are water-based, and the most common applications for our emulsion paints are on cement plaster, concrete and other masonry. We manufacture emulsion paints at our manufacturing facilities at Jodhpur (Unit I) and Kochi.

The following table sets forth certain information on our portfolio of emulsion paints:

Product	Series
Interior Emulsion paints	
Luxury Interior Emulsion	Platinum
Multi-Colour Emulsion	Platinum
Premium Interior Emulsion	Gold
Interior Emulsion	Silver
Interior Sheen Emulsion	Silver
Interior Emulsion	Bronze
Exterior Emulsion paints	
Dirtproof and Waterproof Exterior Laminate	Platinum
Premium XT Exterior Emulsion	Platinum
Exterior Emulsion	Gold
Exterior Sheen Emulsion	Gold
Exterior and Interior Emulsion paint	
Exterior and Interior Acrylic Laminate	Platinum

Enamels

Enamels are solvent-based paints made from alkyd binders, solvents, pigments and additives, which imparts a glossy finish and surface protection, and are used to paint wooden and metal surfaces.

We manufacture enamel paints at our manufacturing facility at Pudukkottai. Our portfolio of enamel paints includes our Self-Priming Epoxy Enamel, PU Super Gloss Enamel and Satin Enamel. All our enamel paints are part of our *Platinum Series* of products.

Wood Coatings

Wood coatings are typically solvent-based products used to protect and beautify wooden surfaces and offer a glossy, matte or a silk matte finish. We manufacture solvent-based and water-based wood coatings. We predominantly sell our wood coatings under the "*Indigo*" brand (under a category sub-brand "*Sleek*" that we acquired as part of the acquisition of Hi-Build Coatings Private Limited in Fiscal 2016).

We manufacture wood coatings at our manufacturing facility at Pudukkottai.

The following table sets forth certain information on our portfolio of wood coatings:

Product	Applications
Interior and Exterior Water Based Single Pack Clear PU	Interior and exterior wooden furniture and joinery
Interior Single Pack Clear PU	Interior wooden furniture and joinery
Exterior Single Pack Clear PU	
Interior Quick-Drying Two Pack Clear PU	
Exterior Two Pack Clear PU	
Interior Two Pack Hi-Solid Melamine	

Product	Applications
Interior Two Pack Pigmented PU	Natural and engineered wood
Exterior Two Pack Pigmented PU	
Interior Sanding Sealer NC	Interior wooden furniture and joinery
Anti-Termite Solution	Interior and Exterior wooden furniture, joinery and engineered wood
NC/ PU/ Melamine Thinner	Thinner for all solvent based wood coatings
Wood Stain	Interior wooden furniture and joinery
Basecoat for Exterior wood	Exterior wooden furniture and joinery

Distempers

Distempers are traditional water-based paints that possess a thick paste like consistency. Distempers are usually used for interior applications by value conscious customers, and are most commonly applied on plastered walls.

We manufacture distempers at our manufacturing facility at Jodhpur (Unit I). Our portfolio of distempers include our Acrylic Distemper that is part of our *Gold Series*, and Acrylic Distemper and Acrylic Pouch Distemper that are part of our *Silver Series.*

Primers

Primer is an undercoat or preparatory coat applied on a substrate before painting, that improves adhesion and coverage of the topcoat and in some cases provides additional protection to the painted surface. We manufacture water-based, solvent-based, and cement-based primers.

We manufacture primers at our manufacturing facilities at Jodhpur (Unit I), Pudukkottai and Kochi.

The following table sets forth certain information on our portfolio of primer products:

Product	Series	Applications	Solvent/ Water/ Cement Based
Single Pack Epoxy Primer	Platinum	Metal surfaces	Solvent Based
Universal Primer	Gold	Wood, metal and masonry	
Redoxide Metal Primer	Gold	Metal	
ST Wood Primer	Gold	Wood	
Zinc Chromate Primer	Gold	Metal	
Stain Block Primer	Platinum	Cement plaster, concrete and other masonry	Water Based
Water Thinnable Sealer Primer	Platinum		
Exterior Wall Primer	Gold		
Water Thinnable Cement Primer	Gold		
Water Thinnable Cement Primer	Silver		
Water Thinnable Cement Primer	Bronze		
Primer Surfacer	NA		Cement Based

Putties

Putties comprise white cement, polymers and powder fillers, which are applied on plastered walls/ metals as an undercoat, to give them a smooth finish and to additionally provide adhesion between the wall and paint.

We manufacture putties at our manufacturing facility at Jodhpur (Unit II).

The following table sets forth certain information on our portfolio of putty products:

Product	Series	Applications	Solvent/ Water/ Cement-Based
Waterproof Polymer Putty	Platinum	Cement plaster, concrete and other masonry	Cement Based
Acrylic Wall Putty	Gold		Water Based
Polymer Putty	Gold		Cement Based
Polymer Putty	Silver		Cement Based
Knifing Paste Filler	NA	Metal, Wood	Solvent Based

Cement Paints

Cement paints are a type of economical exterior wall paint, manufactured from white cement, lime, minerals and pigments. Cement paints are applied on a range of surfaces including cement plaster, concrete, and asbestos sheet surfaces.

We manufacture cement paints at our manufacturing facility at Jodhpur (Unit II). Our portfolio of cement paints includes our Royal Indigocem, Floracem and Alfacem.

Indigo Differentiated Products

Our portfolio of Indigo Differentiated Products comprises category-creator products and value-added products, and are differentiated from other paint products based on their properties and the end-use they are designed to cater to.

Category-Creator Products: We were the first company to introduce certain types of emulsion paints such as our Metallic Emulsion paints, Tile Coat Emulsion paints, Bright Ceiling Coat Emulsion paints and Floor Coat Emulsion paints in the decorative paint market in India. These products have since been considered as a distinct category of products (*Source: F&S Report*). These products are differentiated based on their end-use specifications. For instance, our Metallic Emulsion paints are made of special effect pigments that impart designer finish with glossy metallic texture effect to the walls, Tile Coat Emulsion paints are designed for external roof tiles that provides gloss and sheen, Ceiling Coat Emulsion paints are intended solely for ceilings and which enhance the brightness in the room, and Floor Coat Emulsion paints are used on terrace floor, driveways, walkways and cement surfaces and provide a glossy finish.

Value-Added Products: We were also the first company to launch certain other types of emulsion paints such as our Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and enamels such as our PU Super Gloss Enamel (*Source: F&S Report*), products that comprise our value-added product portfolio. These products are also differentiated in terms of certain value added properties. For instance, our Dirtproof & Waterproof Exterior Laminate combines the benefits of dirt resistance and waterproofing properties. Our Exterior and Interior Acrylic Laminate is a rich sheen paint suitable for both interior and exterior walls. Our PU Super Gloss Enamel is an enamel paint suitable for various types of surfaces, and protects wood and metal while providing a glossy surface finish.

As of September 30, 2020, we manufactured seven types of Indigo Differentiated Products at our manufacturing facilities at Jodhpur, Kochi and Pudukkottai. Revenues generated, i.e. invoicing as per contracted price, from the Indigo Differentiated Products (as set out in the table below) increased by 38.70% from ₹ 1,182.13 million in Fiscal 2018 to ₹ 1,639.57 million in Fiscal 2019, and by 20.27% from ₹ 1,639.57 million in Fiscal 2019 to ₹ 1,971.97 million in Fiscal 2020. Revenues generated, i.e. invoicing as per contracted price, from the Indigo Differentiated Products in the six months ended September 30, 2019 and September 30, 2020, were ₹ 849.74 million and ₹ 765.23 million, respectively.

The following table sets forth certain information on our portfolio of Indigo Differentiated Products:

Product	Series	Applications	Solvent/ Water-Based
Floor Coat Emulsion	Platinum	Concrete, cement tiles, terrace floor tiles, paver blocks.	Water Based
Bright Ceiling Coat	Platinum, Gold	Concrete and plastered ceilings	
Metallic Emulsion	Platinum	Wood, metal and masonry	
Tile Coat	Platinum	Concrete and roof tiles	
PU Super Gloss Enamel	Platinum	Wood and Metal	Solvent Based
Dirtproof and Waterproof Exterior Laminate	Platinum	Cement plaster, concrete and other masonry	Water Based
Exterior and Interior Acrylic Laminate	Platinum		

Other Products

The following table sets forth certain information on our portfolio of other products that we manufacture or resell.

Product	Series	Applications	Solvent/ Water-Based
Manufacture			
Aluminium Paint	Gold	Metal	Solvent Based
Roof Paint	Silver	Metal roofing sheets	
Stone and Tile	Gold	Natural stones, brick work	
Leak Proof Emulsion	NA	Cement plaster, concrete	Water Based

Product	Series	Applications	Solvent/ Water-Based
Manufacture Resell			
Machine Colorant	NA	Tinting Machine - To impart the desired shades to the emulsion paints	-
Universal Stainer	NA	Manual Tinting - To impart the desired shades to the emulsion paints	-

As of September 30, 2020, we manufactured aluminium paint, roof paint, stone and tile paint, and leak proof emulsion at our manufacturing facilities at Kochi and Pudukkottai.

Machine colorants and universal stainers that we resell are purchased by us from third-parties. Such third-party manufacturers obtain the raw materials and manufacture these products as per the specifications provided by us. We do not have long-term, formal or exclusive arrangements with such manufacturers.

Manufacturing Facilities

We own and operate three manufacturing facilities in India, at Jodhpur in Rajasthan ("**Jodhpur Facility**"), Kochi in Kerala ("**Kochi Facility**") and Pudukkottai in Tamil Nadu ("**Pudukkottai Facility**"). All of our manufacturing facilities are supported by infrastructure for storage of raw materials, manufacture of paints, storage of finished goods, together with a quality control lab. In addition, our manufacturing facilities include effluent treatment plants, which treat our industrial wastewater and recycle it for reuse or for safe external disposal.

We generally source raw materials from suppliers that are located in close proximity to our manufacturing facilities to minimise inward freight costs and reduce the cost of raw materials.

As of September 30, 2020, our aggregate estimated installed manufacturing capacity was 101,903 KLPA for liquid paints comprising emulsion paints, enamels, wood coatings, distempers and primers, and 93,118 MTPA for powder paints comprising putties and cement paints.

The table below sets forth certain information regarding the products manufactured at our manufacturing facilities as of September 30, 2020:

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

Jodhpur, Rajasthan

The manufacturing facility at Jodhpur in Rajasthan commenced operations in Fiscal 2000. A second unit (Unit II) primarily for manufacturing powder based paints like cement paints and putties was commissioned in December 2019. As of September 30, 2020, our Jodhpur Facility comprised two units with an aggregate estimated installed production capacity of 45,544 KLPA for water-based paints and 93,118 MTPA for cement paints and putties.

We manufacture certain types of liquid paints including emulsion paints, distempers and primers in Unit I of our Jodhpur Facility, and certain types of powder paints including putties and cement paints in Unit II of our Jodhpur Facility.

The power requirements for this facility are met through the local state power grid, and power back-ups to operate packaging lines and general lighting, while water is procured from the industrial estate authorities and water tankers.

Kochi, Kerala

We acquired the manufacturing facility at Kochi in Kerala in Fiscal 2016 through the acquisition of Hi-Build Coatings Private Limited. As of September 30, 2020, our Kochi Facility had an estimated installed production capacity of 42,701 KLPA for water-based paints.

We manufacture water-based paints including certain types of emulsion paints, primers, and certain other products at our Kochi Facility.

The power requirements are met through the local state power grid and sufficient power back-up is available, if required, while water is primarily procured from the municipality line.

Pudukkottai, Tamil Nadu

We acquired the manufacturing facility at Pudukkottai in Tamil Nadu in Fiscal 2016 through the acquisition of Hi-Build Coatings Private Limited. As of September 30, 2020, our Pudukkottai Facility had an installed estimated production capacity of 13,658 KLPA. We are also in the process of expanding our Pudukkottai Facility to include a water-based manufacturing unit. For further information, see " – *Proposed Expansion Plans*" and "*Objects of the Offer*" on pages 167 and 91-112, respectively.

We manufacture solvent-based enamels and primers, and wood coatings (both solvent-based and water-based) and certain other products at our Pudukkottai Facility.

The power requirements are met through the local state power grid and sufficient power back-up is available, if required, while water is procured from the industrial estate authorities.

Capacity and Capacity Utilization

Liquid Paints (Solvent/ Water-Based Paints)

The following table sets forth certain information relating to our capacity utilization of all our manufacturing facilities for our liquid paints (comprising emulsion paints, enamels, wood coatings, distempers, and primers), calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

	Installed Production Capacity and Capacity Utilization as at and for the year ended (in kilo litres)(1) (2) (3) (4)								
Location	**March 31, 2018**			**March 31, 2019**			**March 31, 2020**		
	Installed Capacity(1)	**Actual Production (2)**	**% Utilization(3)**	**Installed Capacity(1)**	**Actual Production (2)**	**% Utilization(3)**	**Installed Capacity(1)**	**Actual Production (2)**	**% Utilization(3)**
Jodhpur Facility (Rajasthan)	22,312	19,576	87.74%	39,244	24,121	61.46%	45,544	23,167	50.87%
Kochi Facility (Kerala)	15,640	8,739	55.88%	27,958	13,760	49.22%	42,701	18,406	43.10%
Pudukkottai Facility (Tamil Nadu)	8,656	5,151	59.51%	9,034	6,058	67.06%	13,658	6,817	49.91%
Total	**46,608**	**33,466**	**71.80%**	**76,236**	**43,939**	**57.64%**	**101,903**	**48,390**	**47.49%**

	Installed Production Capacity and Capacity Utilization as at and for the six months ended (in kilo litres)(1) (2) (3) (4)					
Location	**September 30, 2019**			**September 30, 2020**		
	Installed Capacity(1)	**Actual Production(2)**	**% Utilization(3)**	**Installed Capacity(1)**	**Actual Production(2)**	**% Utilization(3)**
Jodhpur Facility (Rajasthan)	39,244	11,801	60.14%	45,544	10,352	45.46%
Kochi Facility (Kerala)	27,958	7,768	55.57%	42,701	7,613	35.66%
Pudukkottai Facility (Tamil Nadu)	9,034	3,350	74.16%	13,658	3,196	46.80%
Total	**76,236**	**22,919**	**30.06%**	**101,903**	**21,161**	**20.77%**

#*As certified by (i) Er. Satendra Singh Yadav, Chartered Engineer, by certificate dated November 6, 2020, for the Jodhpur Facility; and (ii) Philip Kuriakose, Chartered Engineer, by two certificates, each dated November 6, 2020 for the Kochi Facility and Pudukkottai Facility, respectively.*

(1) The information relating to the installed production capacity of our manufacturing facilities as of the dates mentioned, as included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates that have been taken into account by the Chartered Engineers for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the paint industry after examining the calculations and explanations provided by us.

The assumptions and estimates taken into account include the following for the Jodhpur Facility: (i) Number of working days in a year – 300; (ii) Number days in a month - 25; (iii) Number of shifts in a day – 2; and (iv) Average efficiency – 70%.

The assumptions and estimates taken into account include the following for the Kochi Facility: (i) Number of working days in a year – 300; (ii) Number days in a month - 25; (iii) Number of shifts in a day – 2; and (iv) Average efficiency for the twin shaft disperser and, mixer installed at the Kochi Facility – 80%.

The assumptions and estimates taken into account include the following for the Pudukkottai Facility: (i) Number of working days in a year – 300; (ii) Number days in a month - 25; (iii) Number of shifts in a day – 2; and (iv) Average efficiency for the twin shaft disperser and, mixer installed at the Pudukkottai Facility – 80%.

(2) The information relating to the actual production at our manufacturing facilities for the fiscal/period ended as included above and elsewhere in this Draft Red Herring Prospectus are based on the calculations and explanations provided to the Chartered Engineers, including with respect to the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

(3) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate annual installed production capacity of relevant manufacturing facilities as of at the end of the relevant period. In the case of capacity utilization for the period ending September 30, 2019 and September 30, 2020, the capacity utilization has been calculated by dividing the actual production for the period by 50% of the annualized installed capacity.

(4) Actual production levels and utilization rates may vary from the capacity information of our manufacturing facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary." on pages 40-41.

Powder Paints (Putties and Cement Paints)

The following table sets forth certain information relating to our capacity utilization of all our manufacturing facilities for our powder paints (comprising putties and cement paints), calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Location	Installed Production Capacity and Capacity Utilization as at and for the year ended (in metric tonnes)(1) (2) (3) (4)								
	March 31, 2018			March 31, 2019			March 31, 2020		
	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)
Jodhpur Facility (Rajasthan)	48,944	32,783	66.98%	48,944	44,349	90.61%	93,118	58,161	50.87%

Location	Installed Production Capacity and Capacity Utilization as at and for the six months ended (in metric tonnes)(1) (2) (3) (4)					
	September 30, 2019			September 30, 2020		
	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)
Jodhpur Facility (Rajasthan)	48,944	27,086	110.68%	93,118	26,997	57.98%

#As certified by Er. Satendra Singh Yadav, Chartered Engineer, by certificate dated November 6, 2020.

(1) The information relating to the installed production capacity of our manufacturing facilities as of the dates mentioned, as included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates that have been taken into account by the Chartered Engineer for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the paint industry after examining the calculations and explanations provided by us. The assumptions and estimates taken into account include the following: (i) Number of working days in a year - 300; (ii) Number days in a month - 25; (iii) Number of shifts in a day – 2; and (iv) Average efficiency – 70%.

(2) The information relating to the actual production at our manufacturing facilities as of the dates included above and elsewhere in this Draft Red Herring Prospectus are based on the calculations and explanations provided to the Chartered Engineer, including with respect to the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

(3) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate annual installed production capacity of relevant manufacturing facilities as of at the end of the relevant period. In the case of capacity utilization for the period ending September 30, 2019 and September 30, 2020, the capacity utilization has been calculated by dividing the actual production for the period by 50% of the annualized installed capacity.
(4) Actual production levels and utilization rates may vary from the capacity information of our manufacturing facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed manufacturing

capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary." on pages 40-41.

Proposed Expansion Plans

In order to meet the growing demand for water-based paints, we propose to expand our Pudukkottai Facility to include capacities for manufacturing water-based paints.

We are in the process of adding capacities at our Pudukkottai Facility to include a water-based manufacturing facility on a land parcel that we own which is adjacent to our existing manufacturing unit. The unit is being set-up for the purpose of manufacturing water-based emulsion paints, distempers and primers at Pudukkottai. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels.

Post completion of our proposed expansion plans, the expansion unit is expected to have an estimated installed capacity of 50,000 KLPA and is expected to be operational during Fiscal 2023. Also see, "*Objects of the Offer*" on pages 91-112.

We are also in the process of carrying out capacity expansion plans at our existing Jodhpur Facility. These additions are being carried out at both Unit I and Unit II with respect to liquid paints such as emulsions and primers, and powder paints such as putties.

The information on our proposed expansion plans are indicative and remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. We are in the process of obtaining various consents, approvals and acknowledgements from regulatory authorities that are routine in nature in relation to the proposed expansion at the Pudukkottai Facility. Also see, "*Risk Factors – Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.*" on pages 27-28, and "*Government and Other Approvals - Approvals applied for in relation to our objects of the Offer i.e. proposed expansion of our Pudukkottai manufacturing facility by setting up of an additional unit adjacent to the existing facility*" on page 311.

Procurement of Raw Materials

The primary raw materials used in the manufacture of water-based paints and cement-based paints are white cement, minerals such as lime, dolomite, calcite, china clay and talcum, acrylic emulsions, pigments, additives, titanium dioxide and packaging materials. Primary raw materials for solvent-based paints are alkyd resins, mineral turpentine oil, solvents, pigments, additives, titanium dioxide, and packaging materials. In Fiscal 2018, 2019 and 2020 and in the six months ended September 30, 2020, the cost of raw materials and components consumed represented 55.20%, 55.36%, 51.40% and 47.73%, respectively, of our revenue from operations. Raw materials are primarily transported to the manufacturing facilities by road.

We source raw materials from a number of suppliers mainly based in and around the states in which we have our manufacturing facilities. We manufacture water-based paints and cement-based paints and putties at our Jodhpur Facility. We source raw materials for use at our Jodhpur Facility from suppliers and raw material manufacturers within Rajasthan and the neighboring state of Gujarat.

For water-based paints manufactured at our Kochi Facility, principal raw materials for use at this facility are sourced from manufacturers within Kerala and the neighboring states of Tamil Nadu and Karnataka. We import minerals from Vietnam and receive them at the port in Kochi.

For solvent-based paints manufactured at our Pudukkottai Facility, principal raw materials for use at this facility are sourced from manufacturers based within Tamil Nadu and the neighboring state of Telangana.

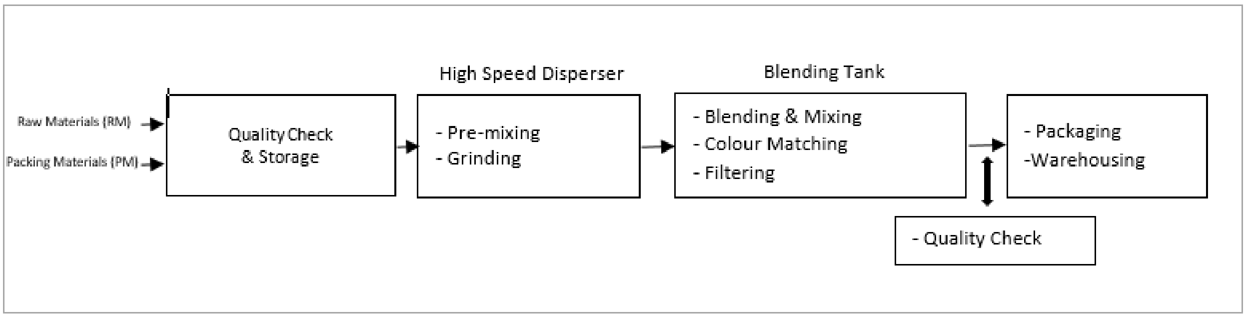
We do not have long-term purchase commitments or guaranteed purchase quantities with our suppliers. There are no contractual commitments other than those set out in the purchase orders. Our key suppliers generally grant us a credit period of between 60 days to 90 days.

We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay.

Manufacturing Process

The following illustrates the manufacturing process for our decorative paint products. The manufacturing process for powder paints (cement paints and putties) are conceptually similar, although different set of equipment are used. The manufacturing process for the liquid paints (water-based and solvent-based) are conceptually similar, although different equipment are used for emulsions, distempers, enamels, and wood coatings. The manufacturing facilities are also supported by effluent treatment and safety systems.

Manufacturing Process for Liquid Paints



Inspection of Raw Materials: Upon delivery, the incoming materials are inspected pursuant to quality control specifications. Raw materials are accepted and stored only after they have passed the relevant quality control tests. Bulk liquid raw materials that have passed the quality control tests are transported from tanker-vehicles and loaded and pumped onto on-site storage vessels.

The manufacturing of liquid paints generally involves a two-stage process:

Stage I: Pre-mixing and grinding is carried out in a high speed disperser.
Stage II: Blending and mixing, filtering and colour matching is carried out in a blending tank.

Pre-mixing: Relevant raw materials are selected and weighed pursuant to the product codes for each batch of product to be manufactured. Raw materials are then loaded to the pre-mixing machines. A combination of water, pigments, emulsion polymer and additives are used for preparing water-based paints, while principal raw materials used in preparing solvent-based paints include resins, solvents, pigments and additives. After loading, the raw materials are mixed by a twin shaft disperser (TSD)/ bead mill, which serves to break them down into finer parts for further processing. Dispersing and wetting agents are used to get a uniform mill base.

Grinding: After pre-mixing, the mill base produced in the high speed disperser is subjected to mechanical grinding, in order to achieve the required level of fineness and homogenization. For solvent-based paints, the premixed materials are broken down further by grinding equipment such as bead mills in order to achieve the required level of fineness. To obtain the proper degree of dispersion, high speed dispersion equipment are used in the production of water-based paints.

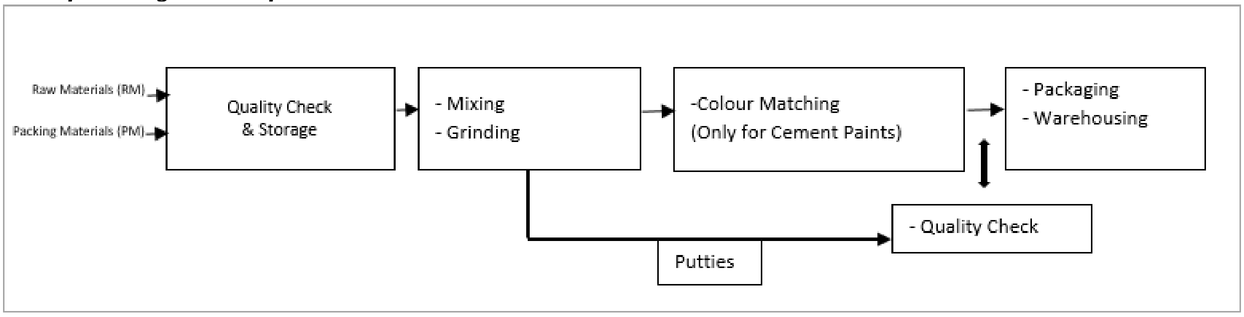
Blending and Mixing: The mixture is then transferred to a blending tank. Additional ingredients, such as remaining emulsion/ resins, solvents and additives, will be added when the slurry mixture attains the right degree of dispersion.

Colour Matching: Colour paste is added to the paint to reach the required colour standard of a particular batch of finished product. Colour matching generally has to be carried out under normal daylight conditions in order to achieve the required colour. A spectrometer is used for colour matching.

Filtering: After blending, the mixture is filtered through a filtration equipment to remove non-dispersed pigments and any entrained solids.

Packaging and Warehousing: Samples of finished paint products are thoroughly inspected pursuant to the quality control requirements and the product specifications in respect of colour, density, fineness of grind, dispersion level, level of drying, adhesion and flexibility. After passing quality control tests, the batch of paint products manufactured is poured into labelled cans or buckets, packed, and moved to the warehouse for finished products pending delivery.

Manufacturing Process for Powder Paints



Inspection of Raw Materials: Upon delivery, the incoming materials are inspected pursuant to quality control specifications. Raw materials are accepted only after they have passed the relevant quality control tests.

Mixing and Grinding: In case of putties, raw materials like dolomite, white cement and special polymers are fed into the mixing equipment in the required quantity to get a uniform mixture. The resultant putty is subjected to quality test and sent for packing and storage. For cement paints, the bulk of the raw materials are fed into the grinding equipment (ball mill) and subjected to grinding and dispersion to get a uniform mixture.

Colour Matching: In case of cement paints, the required powdered colorants are added to the resultant ground mixture to get the desired shade. Colour matching generally has to be carried out under normal daylight conditions in order to achieve the required colour. A spectrometer is used for colour matching.

Packaging and Warehousing: Samples of finished products are thoroughly inspected pursuant to the quality control requirement and is sent for packaging and storage.

Inventory Management

Our finished products are mainly stored on-site at our manufacturing facilities and at our depots. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders.

Distribution Network and Sales

Our distribution network and infrastructure comprises depots operated by us, dealers that we engage with, tinting machines that we install at dealer outlets, and the painter community in India. As of September 30, 2020, we distributed our products across 27 states and seven union territories in India. In addition, we have a network of 14 Active Dealers in Bhutan as of September 30, 2020. As of September 30, 2020, we had depots located across 20 states and one union territory in India.

The table below sets forth certain information on our depot and Active Dealer network in India, i.e. dealers that have issued at least two invoices in two different months in the 12 preceding months and that have not been cancelled:

	As of March 31,			As of September 30,	
	2018	2019	2020	2019	2020
Number of Active Dealers	9,210	10,246	11,230	10,842	10,988
Number of Depots	33	33	36	34	40

Our depots operate as primary freight destination points and secondary freight origin points. Finished products are dispatched from our manufacturing facilities to our depots, and are subsequently dispatched from our depots to individual dealers.

We do not enter into formal agreements with our dealers and supply our products to them based on purchase orders issued. Each of our depots comprises a branch head, area sales managers and frontline sales officers. The frontline sales officers and area sales managers operate in the field and collect orders from dealers in their respective areas, which are then placed at the respective depots. Upon receipt of orders at the depot, the products are dispatched from the inventory maintained at the depot after due verification of the credit limit of the dealer. Inventory at the depot is replenished on arrival of products from the manufacturing facilities, based on the prevailing sales trends and demand forecast.

Engagements with Dealers and the Painter Community

Our dealer network is well integrated with our marketing and promotional activities, and helps in strengthening our brand image. For instance, some of our dealers display advertising boards for our products and life-size cutouts of our brand ambassador at their outlets to attract consumers. We also consistently engage with our dealers and the painter community by distributing branded merchandise and conducting a range of activities such as painter meets where trained engineers carry out a blind testing of our products against those of our competitors. We also incentivise dealers based on purchase volumes and payment practices. See " – *Pricing*" on page 170.

Painters are incentivised through a token system in which containers of a select range of products carry tokens (with values between ₹10 and ₹150). These tokens are then redeemed for cash by the painter at the dealer outlets, and subsequently redeemed by the dealer at the relevant depot. We also provide colour consultancy books, fan decks to the painting contractors, and an annual point based incentive system to the painting contractors as part of our engagement. These engagements help us collect product feedback and insights on emerging trends that we then leverage to refine our product development activities.

Installation of Tinting Machines

For emulsion paints, different shades are produced through in-shop tinting machines installed at dealer premises. These tinting machines are unique to each paint manufacturer due to design specifications including with respect to colorants, emulsion paint bases, fan-decks or shade cards, and customized software applications. These tinting machines are a prerequisite for dealers who sell emulsion paints (*Source: F&S Report*). As of September 30, 2020, we placed a total of 4,603 tinting machines with dealers across India.

We also place gyro shakers, i.e. a shaking machine, at outlets of our dealers that is used to ensure uniform distribution of colorants in the paint base to get a consistent shade. Products from the tinting machine are transferred to the gyro shaker for this purpose. While the tinting machines are unique to each paint manufacturer, gyro shakers are manufacturer-agnostic, and typically a dealer will have only one gyro shaker in an outlet. As of September 30, 2020, we placed a total of 2,239 gyro shakers with dealers across India.

We have entered into long-term agreements with the manufacturers of our tinting machines, and place purchase orders for purchase of machines based on demand. These tinting machines are designed and manufactured based on our specifications. Once a dealer has expressed acceptance for our tinting machine, we place an order with the manufacturer for delivery of the machine at our relevant depot and for installation at the particular dealer outlet. We typically place orders on a monthly basis for these machines. Ownership of the machine continues to vest with us and a right of use is granted to the dealer in exchange for a specified sum, amounting to approximately 15% of the cost of the tinting machine. We also enter into an annual maintenance contract for our tinting machines for repair works, costs of which are shared by our Company and the dealer.

Pricing

All materials are pre-printed with a prescribed Maximum Retail Price ("**MRP**") which includes all applicable taxes. A separate Dealer Price List ("**DPL**") is circulated to all the dealers indicating the amount for the products billed. Dealers are offered various types of discounts and incentives based on the volumes purchased and payment practices followed. These discounts and incentives are typically in the form of credit notes that are issued at the end of each month. We also offer certain long-term loyalty discounts to dealers in the form of credit notes that are distributed at the end of each fiscal, or as applicable. Painters are incentivised through a token system in which containers of a select range of products carry tokens (with values between ₹10 and ₹150). These tokens are then redeemed for cash by the painter at the dealer outlets, and subsequently redeemed by the dealer at the relevant depot.

Logistics

We transport raw materials and finished products primarily by road. Our suppliers directly deliver our raw materials to our manufacturing facilities. We outsource the delivery of our products to third-party logistics companies. We rely on freight forwarders to deliver our products from our manufacturing facilities to our depots and onwards to dealer outlets. We do not have long-term contractual relationships with our freight forwarders.

Utilities

We consume a substantial amount of power for our business operations. Our power requirement for our manufacturing facilities is sourced from the relevant local state power grids. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture quality products. We have also installed generators at our manufacturing facilities to ensure uninterrupted supply of power. We also require substantial amounts of water for our manufacturing activities. We procure water from a combination of sources including industrial estate authorities, municipality lines and water tankers. Also see " – *Manufacturing Facilities*" on pages 164-165.

Brand Building and Marketing

We have invested significantly in the promotion of the "*Indigo*" brand and logo , and our advertisement and sales promotion expenses in Fiscal 2018, 2019, 2020 and in the six months ended September 30, 2020, was ₹ 450.50 million, ₹ 676.61 million, ₹ 790.54 million and ₹ 157.65 million, respectively, and represented 11.22%, 12.63%, 12.65% and 6.08% of our revenue from operations in such periods, respectively. We believe this investment in advertising and promotion of our brand is one of the key factors that has enabled us to build awareness, grow our network of dealers and expand successfully across multiple regions, and that we will continue to benefit from these historical investments in brand building as we execute our future growth plans.

We utilise a number of avenues to promote our brand and products, including traditional media outlets, our relationship with a celebrity brand ambassador, and our network of dealers.

We have engaged Mr. Mahendra Singh Dhoni, a sportsperson with a pan-India appeal, as our brand ambassador for a period of three years, with services being provided with effect from May 1, 2018, extendable on mutual consent of the parties. We have also created a mascot for our brand, a zebra with colourful stripes that resembles our logo, and regularly features in our marketing materials, to increase brand recall. We advertise through several key media outlets to promote our brand and product portfolio, including through advertisements on television, newspapers, magazines, dealer signage boards, in-shop branding materials and the internet. We work with a brand consultant to help produce creative content that is market-specific. We also look to localise our advertising campaigns by adapting our advertisements to local languages and customs in order to appeal to more targeted and relevant demographics within specific markets. Further, we work with media companies to acquire optimal advertising slots in order to maximise the impact of our advertising campaigns.

Information Technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and suppliers, and receivables from dealers. We also utilize a SAP system which covers production, finance, sales, marketing logistics, purchase and inventory, across all our depots and manufacturing facilities.

Competition

The Indian decorative paint industry has historically been dominated by four major entities, which had an aggregate market share of 65% in 2019, as the industry presents significant entry barriers. These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance. (*Source: F&S Report*). We compete with these companies as well as other smaller companies on the strength of our distribution network, brand recognition and ability to leverage our dealer relationships to install tinting machines.

We believe we are well-positioned to compete with these companies given our differentiated strategy where we seek to fulfil unmet product requirements, while at the same time offering a complete range of decorative paint products across India. A significant amount of investment is required for the establishment of brand reputation and to penetrate into the sales network in India. (*Source: F&S Report*) With over two decades of operating history and the quality of our products, our product development capability and our range of paint products for different applications, we believe that we have the competitive strengths in the paint market in India. For further information on the competition we face in the markets in which we operate, see "*Industry Overview*" beginning on page 127.

Quality Control

We place significant emphasis on quality control. Our quality management system with respect to our manufacturing facilities at Jodhpur, Kochi and Pudukkottai have been certified to conform to ISO 9001:2015, subject to annual audits conducted by independent consultants.

We inspect the raw materials we receive, work-in-progress and final products. We have implemented internal procedures to ensure quality control at various stages of production, from procurement of raw material, production to inventory storage. Each of our manufacturing facilities has personnel responsible for monitoring the parameters of equipment, stability of materials, reporting any irregularities in the manufacturing process and making adjustments accordingly.

Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For further information, see "*Key Industry Regulations and Policies*" beginning on page 174. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see "*Government and Other Approvals*" beginning on page 310.

Each of our manufacturing facilities at Jodhpur, Kochi and Pudukkottai, has been certified to conform to ISO 14001:2015 for our Environment Management systems and ISO 45001:2018 for our Occupational Health & Safety Management systems, which are subject to annual audits conducted by independent consultants.

Insurance

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including: (i) insurance policy covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles (ii) directors' and officers' liability insurance policy, and (iii) policy covering damage to stocks at our depots. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all our manufacturing facilities and depots.

Employees

As of September 30, 2020, we had an employee base of 666 employees. The following table sets forth a breakdown of our employees by function as of September 30, 2020:

Function	Number of Employees
Sales	419
Production	224
Head Office	23
Total	**666**

In addition, we contract with third-party manpower and services firms for the supply of contract labour for certain services at our manufacturing facilities. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

Intellectual Property

We have obtained trademark registrations in India, including for the "*Indigo*" brand and logo INDIGO Be surprised! of our Company under Class 2 of Schedule 4 of the Trademark Rules, 2002 and certain other logos such as "*Indigo Stripes*" and "*Indigo Container Artwork*" among others under Class 1, Class 2. All the trademarks are registered in the name of the Company.

We also sell a limited range of products in Kerala to select dealers under the brand names of "*HBC*", "*Francoat*", "*Enigma*", and "*Vibe*", brands that we acquired as a result of the acquisition of Hi-Build Coatings Private Limited in Fiscal 2016, and that are currently registered in the name of the Company.

We have also registered the domain name www.indigopaints.com in India.

Corporate Social Responsibility

We have constituted a corporate and social responsibility ("**CSR**") committee of our Board of Directors (the "**CSR Committee**") and have adopted and implemented a CSR policy on March 11, 2020, pursuant to which we carry out our CSR activities. These CSR activities include working with governmental and non-governmental organizations for improving the quality of education imparted in government and municipal schools.

Property

Our Registered Office and Corporate Office is located at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune -411 045, Maharashtra, India and is operated by us on a leave and license basis. As of September 30, 2020, we operated 40 depots, all of which were held on leasehold basis or leave and license basis. As of the date of this Draft Red Herring Prospectus, we own and operate three manufacturing facilities at Jodhpur, Kochi and Pudukkottai. Some of the land for these manufacturing facilities is held by our Company on freehold basis and some on leasehold basis, as set out below:

Facility	Address	Area (Square Meters)	Leasehold/ Freehold
Jodhpur, Rajasthan			
Unit I	F-910, Boranada Industrial Area, Phase IV, Jodhpur – 342 012, Rajasthan	8,400.00	Leasehold
Unit II	A 207, 208, Boranada Industrial Park, Boranada, Jodhpur – 342 012, Rajasthan	20,537.00	Leasehold
Kochi, Kerala	Plot No. 74, 75, 76 B&C Major Industrial Estate, South Kalamassery, Kochi – 683 109, Kerala, India	6,756.74	Combination of leasehold and freehold
Pudukkottai, Tamil Nadu	Plot No. 4-A(3), SIPCOT Industrial Complex, Pudukkottai – 622 002, Tamil Nadu, India S.F. 325/1 and 325/5, Vellanur Village, Kulathur Taluk, Pudukkottai Survey No. 17-2, Patta no. 497, Panampatti Village, Illupur Taluk, Pudukkottai	96,903.00	Combination of leasehold and freehold

In addition, we hold freehold land admeasuring 1,296.17 square meters located at old survey number 323-1 and new survey number 323-1B, Vellanur Taluk of Kulathur, Pudukkottai.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is an overview of certain laws and regulations in India, which are relevant to our Company. The information in this section has been obtained from various legislations, including rules, regulations and policies promulgated by regulatory and statutory bodies, which are available in the public domain. The description of laws, regulations and policies set out below is not exhaustive and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Further, taxation statutes such as the Income Tax Act, 1961, and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999, apply to us as they do to any Indian company.

Key Acts, Regulations and Policies governing our Company

Legal Metrology Act, 2009 (the "Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act seeks to establish and enforce standard weights and measures regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act and rules framed thereunder regulate *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the Legal Metrology Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the Legal Metrology Act. Any non-compliance or violation under the Legal Metrology Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, the Legal Metrology (Packaged Commodities) Amendment Rules, 2017 lay down specific provisions for e-commerce transactions and online sale of packaged commodities.

The Explosives Act, 1884 (the "Explosives Act") and the Explosives Rules, 2008 (the "Explosive Rules")

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

Environmental Laws

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The Environment (Protection) Act, 1986 was enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Environment (Protection) Rules, 1986, framed under the Environment Protection Act, 1986 lay down specific provisions regarding standards for emission or discharge of environmental pollutants, prohibition of carrying out industrial activities in certain geographical locations, procedures for function of environmental laboratories and submission of samples.

The Water (Prevention and Control of Pollution) Act, 1974 prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**PCB**") and provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Air (Prevention and Control of Pollution) Act, 1981 requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to establishing or operating any industrial plant in an air pollution control area.

Further, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 regulate the collection, reception, treatment and storage of hazardous waste. In terms of the Hazardous Waste Rules, occupiers, being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, inter alia, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilising, selling, transferring or disposing hazardous or other waste.

We are also subject to the fire control and safety rules and regulations framed by the specific state governments where we own, operate and maintain establishments. The legislations include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

Further, the Ministry of Environment, Forest and Climate Change has issued Draft Environment Impact Assessment Notification 2020 ("**EIA 2020**") which proposes to replace the erstwhile Environment Impact Assessment Notification, 2006. The EIA 2020 *inter alia* contemplates two kinds of approvals, being (i) prior environment clearance with the approval of expert committees and (ii) environmental permission or provision without the approval of expert committees. Certain projects including clay and sand extraction, digging well or foundations of buildings, solar thermal power plants and common effluent treatment plants have been exempted from such approvals.

Bureau of Indian Standards Act, 2016 (the "BIS Act")

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS has stipulated standards to be followed by manufacturers for paints regarding the composition, packaging, sampling and amount of hazardous substances that can be used in the composition of paints and plastic emulsions.

Regulations Related to Foreign Trade

The foreign policy of India is governed and regulated by the Foreign Trade (Development and Regulation) Act, 1992 (the "**Foreign Trade Act**"). The Foreign Trade Act has empowered the Central Government to make provisions for the development as well as regulation of foreign trade by the way of facilitating imports into as well as augmenting exports from the country and in all the other matters related to foreign trade. It authorises the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The Foreign Trade Act provides for certain appointments especially that of the Director-General to advise the Central Government in formulating import and export policy and to implement the same. Further, the Foreign Trade Act requires every importer as well as exporter to obtain a code number called the Importer Exporter Code Number (IEC) from the Director-General or the authorised officer.

The Foreign Trade Act provides the balancing of all the budgetary targets in terms of imports and exports. The principal objectives here include the facilitation of sustain growth as to the exports of the country, the distribution of quality goods and services to the domestic consumer at internationally competitive prices, stimulation of sustained economic growth by providing access to essential raw materials as well as enhancement of technological strength, industry as well as services and improvement of their competitiveness to meet all kinds of requirement of the global markets.

Labour Laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/ or employees of our Company.

Factories Act, 1948

The Factories Act provides for a healthy working environment for the workers/ labourers. The Factories Act regulates occupational safety, health and welfare of workers of the industries, in which 10 or more workers are employed on any day of the preceding 12 months and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on.

This legislation is being enforced by the Government through officers appointed under the Factories Act i.e. Inspectors of Factories, Deputy Chief Inspectors etc. who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of the Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns.

The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

Shops and establishments legislations in various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

In addition to the above, we are also governed by the provisions of the Companies Act, 2013 and rules framed thereunder and other applicable laws and regulations imposed by the central and state government and other authorities for day to day business, operations and administration of our Company. Our Company is also amenable to various central tax laws including Central Goods and Service Tax Act, 2017, Central Sales Tax Act, 1956, Integrated Goods and Services Tax Act, 2017, Customs Act, 1961 and various state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Indigo Paints Private Limited' at Pune, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation dated March 28, 2000 issued by the RoC. Subsequently, our Company was converted into a public limited company and consequently the name of our Company was changed to 'Indigo Paints Limited' and a fresh certificate of incorporation dated August 20, 2020 was issued by the RoC.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the Registered Office	Reasons for change
March 10, 2018	The registered office of our Company was shifted from Villa Number 6, Paradise Baner Road, Baner, Pune 411 045 to 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune 411 045	Administrative reasons
October 20, 2020	The registered office of our Company was shifted from 103, Montreal, Behind Mauli Petrol Pump, Baner Road, Pune 411 045 to Indigo Towers, Street-5, Pallod Farm-2, Baner Road, Pune 411 045.	Administrative reasons

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. "*To carry on the business as manufacturers, formulators, processors, producers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and dealers in all types of paints and varnishes including enamel, synthetic, plastic-enamel, dye stuff, solvents, rust removers, rust preventives, adhesives, compounds, softeners, organic and inorganic compounds, solvents, allied chemicals and their by-products, derivatives and residues.*"

The main objects as contained in our Memorandum of Association enable our Company to carry on business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution/ Effective date	Particulars
July 31, 2014	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 4,500,000 divided into 450,000 equity shares of ₹ 10 each into ₹ 17,001,000 divided into 500,000 equity shares of ₹10 each, 50 class A1 equity shares of ₹ 10 each, 50 class A2 equity shares of ₹ 10 each, 70,000 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 and 50,000 series A2 fully and compulsorily convertible cumulative preference shares of ₹ 100 each.
January 14, 2016	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 17,001,000 divided into 500,000 equity shares of ₹10 each, 50 class A1 equity shares of ₹ 10 each, 50 class A2 equity shares of ₹ 10 each, 70,000 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each and 50,000 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 to ₹ 29,736,500 divided into 500,000 equity shares of ₹10 each, 50 class A1 equity shares of ₹10 each, 50 class A2 equity shares of ₹10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 46,586 series A2 fully and compulsorily convertible cumulative preference shares of ₹ 100 each and 130,865 series B fully and compulsorily convertible cumulative preference shares of ₹ 100 each.
March 23, 2017	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 29,736,500 divided into 500,000 equity shares of ₹10 each, 50 class A1 equity shares of ₹10 each, 50 class A2 equity shares of ₹10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each 46,586 series A2 fully and

Date of Shareholder's resolution/ Effective date	Particulars
	compulsorily convertible cumulative preference shares of ₹ 100 each to ₹ 483,110,000 divided into 30,000,000 equity shares of ₹10 each, 3,250 class A1 equity shares of ₹ 10 each, 3,250 class A2 equity shares of ₹ 10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 46,586 series A2 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 130,865 series B fully and compulsorily convertible cumulative preference shares of ₹ 100 each and 15,830,950 series C fully and compulsorily convertible cumulative preference shares of ₹ 10 each.
September 28, 2018	Clause V of our Memorandum of Association was amended to reflect re-classification in the authorised share capital of our Company from ₹ 633,110,000 divided into 45,000,000 equity shares of ₹10 each, 3,250 class A1 equity shares of ₹ 10 each, 3,250 class A2 equity shares of ₹ 10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 46,586 series A2 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 130,865 series B fully and compulsorily convertible cumulative preference shares of ₹ 100 each and 15,830,950 series C fully and compulsorily convertible cumulative preference shares of ₹ 10 each to ₹ 633,110,000 divided into 43,000,000 equity shares of ₹10 each, 3,250 class A 1 equity shares of ₹ 10 each, 3,250 class A2 equity shares of ₹10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹100 each, 46,586 series A2 fully and compulsorily convertible cumulative preference shares of ₹100 each, 130,865 series B fully and compulsorily convertible cumulative preference shares of ₹ 100 each and 15,830,950 series C fully and compulsorily convertible cumulative preference shares of ₹ 10 each and 2,000,000 preference shares of ₹ 10 each.
June 01, 2020	Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from 'Indigo Paints Private Limited' to 'Indigo Paints Limited', consequent upon conversion from a private limited company to a public limited company.
October 26, 2020	Clause V of our Memorandum of Association was amended to reflect the re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares of our Company, and increase in the authorised share capital of our Company from ₹ 633,110,000 divided into 43,006,500 equity shares of ₹10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 46,586 series A2 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 130,865 series B fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 15,830,950 series C fully and compulsorily convertible cumulative preference shares of ₹ 10 each, and 2,000,000 preference shares of ₹ 10 each to ₹700,000,000 divided into 49,695,500 equity shares of ₹10 each, 69,904 series A1 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 46,586 series A2 fully and compulsorily convertible cumulative preference shares of ₹ 100 each, 130,865 series B fully and compulsorily convertible cumulative preference shares of ₹ 100 each and 15,830,950 series C fully and compulsorily convertible cumulative preference shares of ₹ 10 each and 2,000,000 preference shares of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Fiscal Year	Events
2019	• Our Company appointed Mahendra Singh Dhoni, as its brand ambassador • We introduced a new model of tinting machines across India • Our Company engaged in BTL activities like painter meets, dealer boards and in-shop branding, and also intensified dealer loyalty programmes
2018	• We intensified television advertising • Our Company expanded its geographical footprint to other states
2016	• SCII V invested approximately ₹ 900 million by in our Company • Our Company acquired Hi-Build Coatings Private Limited; a Kerala based paint company • Sequoia IV invested approximately ₹ 200 million in our Company
2015	• Sequoia IV invested approximately ₹ 300 million in our Company
2013	• We carried out a rebranding exercise and created our new logo and packaging design • We began advertising in newspapers and hoardings
2011	• Our Company implemented SAP
2010	• We had expanded our geographical footprint to 11 states in India by now

Fiscal Year	Events
2007	• Our Company moved to its own factory space in Jodhpur, Rajasthan • Our Company had by now broadened its product portfolio to include water-based paints
2001	• Our Company began manufacturing of cement paints in Jharkhand and later shifted to Jodhpur, Rajasthan
2000	• Incorporation of our Company

Our Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiary and Joint Venture

As of the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary or joint venture.

Significant financial and strategic partnerships

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial and strategic partnerships.

Time/cost overrun

There have been no time and cost over-runs in respect of our business operations.

Awards and Accreditations

1. Our quality management systems with respect to our manufacturing facilities at Jodhpur, Kochi and Pudukkottai have been certified to conform to EN ISO 9001:2015 pursuant to a certificate dated September 16, 2019, subject to annual audits conducted by independent consultants.

2. Each of our manufacturing facilities at Jodhpur, Kochi and Pudukkottai, has been certified to conform to EN ISO 14001:2015 pursuant to a certificate dated September 16, 2019, for our environment management systems, subject to annual audits conducted by independent consultants.

3. Each of our manufacturing facilities at Jodhpur, Kochi and Pudukkottai, has been certified to conform to ISO 45001:2018 for our occupational health & safety management systems pursuant to a certificate dated September 16, 2019, subject to annual audits conducted by independent consultants.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "*Our Business*" beginning on page 154.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Scheme of Amalgamation of Hi-Build Coatings Private Limited ("Hi-Build") with our Company

In terms of the share purchase agreement dated November 30, 2015, our Company acquired 100% of the entire issued, subscribed and paid-up share capital of Hi-Build with an intention to subsequently merge Hi-Build with our Company. Consequently, pursuant to the order dated March 02, 2017, the National Company Law Tribunal, Mumbai, sanctioned a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956 (corresponding Sections 230 and 231 of the Companies Act, 2013) pursuant to which Hi-Build, a wholly owned subsidiary of our Company, was amalgamated into our Company ("**Scheme of Amalgamation**"). The appointed date for the Scheme of Amalgamation was April 01, 2016 while the effective date was April 19, 2017. The Scheme of Amalgamation was entered into with the aim of achieving increased operational efficiencies, bring economies of scale and result in synergetic integration of businesses currently carried on, increased competitive strength, cost reduction and efficiencies, reduction in compliance and statutory filings, improvement of internal controls, productivity gains and logistic advantages of our Company and Hi-Build.

Further, pursuant to the Scheme of Amalgamation, the entire undertaking of Hi-Build including all its assets and properties (both movable and immovable), liabilities, debts, rights and obligations of all kinds, nature and description was transferred to and vested in our Company as a going concern. Further, employees of Hi-Build were deemed to have become employees of our Company subject to certain terms and conditions, inter alia, including such employees becoming employees of our Company without any break or interruption in services and on terms and conditions not less favourable than those on which they were engaged by Hi-Build. No new shares were issues pursuant to such Scheme of Amalgamation.

Guarantees given by our Promoters

The Promoters have not provided any guarantees on behalf of our Company.

Shareholders' agreements and other agreements

Share Subscription Agreement dated February 8, 2016 entered into by and among our Company, SCII V, and our Promoters ("SSA 2016"), Share Purchase Agreement dated February 8, 2016 entered into by and among our Company, SCII V, and our Promoters ("SPA 2016"), and Amended and Restated Shareholders' Agreement dated February 8, 2016 entered into by and among our Company, Sequoia IV, SCII V (Sequoia IV and SCII V are collectively referred to as the "Investors") and our Promoters ("Shareholders' Agreement" or "SHA 2016")

In terms of the share subscription and share purchase agreement dated August 7, 2014 ("**SSPA 2014**") entered into by and among our Company, Sequoia IV, and our Promoters, Sequoia IV subscribed to 50 Class A1 Equity Shares (such Class A1 Equity Shares having differential voting rights attached to them), 69,904 Series A1 CCCPS, 50 Class A2 Equity Shares (such Class A1 Equity Shares having differential voting rights attached to them), and 46,586 Series A2 CCCPS for an aggregate consideration of ₹ 500.00 million. Further, in terms of the SSPA 2014, Sequoia also purchased 11,659 Equity Shares from one of our Promoters for an aggregate consideration of ₹ 50.00 million. Pursuant to such subscription and purchase of shares of our Company, Sequoia IV acquired 22.5% of the issued and paid-up share capital of our Company, on a fully diluted basis, in the year 2014. Consequently, the shareholders' agreement dated August 7, 2014 was entered into by and among our Company, Sequoia IV, and our Promoters ("**SHA 2014**").

Pursuant to the SSA 2016, SCII V subscribed to 130,865 Series B CCCPS for an aggregate consideration of ₹ 899.99 million. Further, in terms of the SPA 2016, SCII V purchased 7,270 Equity Shares from certain of our Promoters for an aggregate consideration of ₹ 49.99 million. Pursuant to the subscription to Series B CCCPS and purchase of 7,270 Equity Shares, SCII V acquired 19.71% of the issued and paid-up share capital of our Company, on a fully diluted basis, in the year 2016. Consequently, the SHA 2016 was entered into by and among our Company, the Investors, and our Promoters, setting out their respective inter se rights and obligations vis-à-vis our Company in connection with the investments received by our Company. The SHA 2016 amended and replaced the SHA 2014.

In terms of the SHA 2016, the Investors, jointly have a right to nominate two directors on our Board. Further, the Investors have also been provided with certain key rights such as right to appoint observers including additional observers, certain tag-along rights, pre-emptive rights, anti-dilution adjustments, information rights and other such additional rights in accordance with the terms of the SHA 2016. Further, in terms of the SHA 2016, our Promoters also had certain special rights in relation to appointment of directors to our Board.

Pursuant to the Shareholders' Amendment Agreement, certain rights of our Company, Sequoia IV, SCII V and our Promoters (collectively, referred to as "**Parties**" and individually, referred to as "**Party**"), among others, in relation to nomination of directors to our Board, transfer of securities and restricted transfers between the Parties, as stipulated in the SHA 2016, have been amended. In terms of the Shareholders' Amendment Agreement, the Investors have consented to certain actions required to be taken by our Company in relation to the Offer as required under the SHA 2016. Further, Class A1 Equity Shares and Class A2 Equity Shares which had differential voting rights attached to them in terms of the SHA 2016, have been re-classified to ordinary Equity Shares. Moreover, in terms of the Shareholders' Amendment Agreement, the Investors jointly have a right to nominate one director to our Board so long as the Investors collectively hold more than or equal to 10% (ten percent) of the post-issue Equity Share capital of our Company, on a fully diluted basis, subject to applicable law. The right of the Investors to nominate a director to our Board is subject to the approval of the Shareholders of our Company through a special resolution passed at the first general meeting of our Company held post listing of the Equity Shares on the Stock Exchanges, in accordance with the provisions of the Companies Act and the SEBI Listing Regulations. Further, the Shareholders' Amendment Agreement also provides that other than the listing fee (which shall be solely borne by our Company), all expenses with respect to the Offer shall be borne by our Company and the Selling Shareholders in accordance with applicable law. However, in the event the Offer is withdrawn or abandoned or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company. Further, in terms of the Shareholders' Amendment Agreement, SHA 2016 shall automatically stand terminated upon the date on which listing and trading of Equity Shares commences on the Stock Exchanges. Further, in case listing is not completed by the date contemplated in the Shareholders' Amendment Agreement, the provisions of the Shareholders' Amendment Agreement shall automatically stand terminated without any further act or deed required on the part of any Party and the rights available to the Investors under the SHA 2016, including among others, differential voting rights and certain exit and secondary sale rights will be reinstated upon such termination of the Shareholders' Amendment Agreement.

OUR MANAGEMENT

In terms of the Articles of Association, our Company shall have up to fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors, including four Independent Directors, three Executive Directors (including our Managing Director) and one Nominee Director. Three of our eight Directors are woman Directors. Further, our Board also comprises an Alternate Director to our Nominee Director.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, DIN, designation, term/period of directorship, address, occupation	Date of birth	Age (years)	Other Directorships
1.	**Hemant Jalan** **Designation:** Managing Director **Term:** Five years with effect from March 7, 2018, liable to retire by rotation **Period of Directorship:** Director since March 28, 2000 **Address:** 6, Paradise, Baner Road, Pune 411 045 **Occupation:** Business **DIN:** 00080942	August 23, 1957	63	• Halogen Chemicals Private Limited; and • Zeus Numerix Private Limited.
2.	**Anita Jalan** **Designation:** Executive Director **Term:** Five years with effect from June 1, 2020, liable to retire by rotation **Period of Directorship:** Director since March 28, 2000 **Address:** 6, Paradise, Baner Road, Pune 411 045 **Occupation:** Service **DIN:** 00085411	September 3, 1960	60	NIL
3.	**Praveen Kumar Tripathi** **Designation:** Independent Director **Term:** Five years with effect from June 1, 2020 **Period of Directorship:** Director since November 13, 2014[(1)] **Address:** Row House 5, Gokul Concorde, Off Western Express Highway, Near Sai Dham Temple, Thakur Village, Mumbai 400 101 **Occupation:** Business	June 4, 1957	63	• Indevia Accounting Private Limited; • Magic9 Media & Analytics Private Limited; and • Magic9 Media & Consumer Knowledge Private Limited.

S. No.	Name, DIN, designation, term/period of directorship, address, occupation	Date of birth	Age (years)	Other Directorships
	DIN: 03154381			
4.	**Sunil Goyal** **Designation:** Independent Director **Term:** Five years with effect from June 1, 2020 **Period of Directorship:** Director since November 13, 2014 (1) **Address:** 731, Akshay Giri, Kunj – III, Paliram Road, Near BMC Office, Andheri West, Mumbai 400 058 **Occupation:** Professional **DIN:** 00503570	October 4, 1967	53	• Annapurna Pet Private Limited; • Chetan Securities Private Limited; • JSW Energy Limited; • Jumboking Foods Private Limited; • Kreston International Limited, U.K.; • Ladderup Corporate Advisory Private Limited; • Ladderup Enterprises Private Limited; • Ladderup Finance Limited; • Ladderup Wealth Management Private Limited; • Lotus Spaces Private Limited; and • Water Proof Corporation Private Limited.
5.	**Narayanan Kutty Kottiedath Venugopal** **Designation:** Executive Director(2) **Term:** Five years with effect from June 1, 2020, liable to retire by rotation **Period of Directorship:** Director since February 24, 2016 **Address:** 45/2275E, Prestige Neptune's Courtyard, Marine Drive, Shanmugham Road, Ernakulam 682 031 **Occupation:** Business **DIN:** 00296465	September 13, 1948	72	NIL

S. No.	Name, DIN, designation, term/period of directorship, address, occupation	Date of birth	Age (years)	Other Directorships
6.	**Sakshi Chopra** **Designation:** Nominee Director(3) **Term:** Not liable to retire by rotation **Period of Directorship:** Director since October 10, 2018 **Address:** 4A, Harmony, Dr. E. Moses Road, Worli Naka, Mumbai 400 018 **Occupation:** Professional **DIN:** 07129633	September 24, 1978	42	• B9 Beverages Private Limited; • Bright Lifecare Private Limited; • Faces Cosmetics India Private Limited; • Go Fashion (India) Private Limited; • Hector Beverages Private Limited; • Innovcare Lifesciences Private Limited; • Rakyan Beverages Private Limited; and • Wakefit Innovations Private Limited.
7.	**Ravi Nigam** **Designation:** Independent Director **Term:** Five years with effect from March 28, 2019 **Period of Directorship:** Director since March 28, 2019 **Address:** 46, Vascon Paradise, Baner Road, Pune 411 045 **Occupation:** Retired **DIN:** 00024577	January 6, 1960	60	• Extraaedge Technology Solutions Private Limited; • Ronin Wines Private Limited; • Sunshot Technologies Private Limited; and • Visage Lines Personal Care Private Limited.
8.	**Ravi Shankar Ganapathy Agraharam Venkataraman** **Designation:** Alternate Director to Sakshi Chopra **Term:** Not liable to retire by rotation **Period of Directorship:** Director since March 11, 2020 **Address:** Villa Gw09, 77 East, 77 Town Centre Yemlur Main Road, Marathahalli Colony, Bengaluru 560 037 **Occupation:** Service **DIN:** 02604007	April 4, 1978	42	• Capfloat Financial Services Private Limited; • Eruditus Learning Solutions Pte. Ltd; • Faces Cosmetics India Private Limited; • Finova Capital Private Limited; • Fintech Blue Solutions Private Limited; • Five-Star Business Finance Limited; • Go Fashion (India) Private

S. No.	Name, DIN, designation, term/period of directorship, address, occupation	Date of birth	Age (years)	Other Directorships
				Limited; • Homevista Décor and Furnishings Private Limited; • India Shelter Finance Corporation Limited; • K12 Techno Services Private Limited; • Prataap Snacks Limited; • Rebel Foods Private Limited; • Rupeek Fintech Private Limited; • Sequoia Capital India Advisors Private Limited; • Suburban Diagnostics (India) Private Limited; • Think & Learn Private Limited; and • Vini Cosmetics Private Limited.
9.	**Nupur Garg** **Designation:** Independent Director **Term:** Five years with effect from June 1, 2020 **Period of Directorship:** Director since June 1, 2020 **Address:** 115 Siddhartha Enclave, Jungpura, Delhi 110 014 **Occupation:** Self-employed **DIN:** 03414074	August 9, 1974	46	• Avyana Business Ventures Private Limited; • Kerala Infrastructure Fund Management Limited; • Small Industries Development Bank of India; and • Winpe Development Forum.

(1) *Pursuant to the resolution passed by our Board on March 11, 2020 and the resolution passed by our Shareholders on June 1, 2020, Praveen Kumar Tripathi and Sunil Goyal were appointed as Independent Directors under Section 149 of the Companies Act, 2013.*

(2) *Pursuant to resolution passed by our Board on March 11, 2020 and the resolution passed by our Shareholders on June 1, 2020, Narayanan Kutty Kottiedath Venugopal was reappointed as an Executive Director.*

(3) *Nominee of the Investor Selling Shareholders.*

Brief Biographies of Directors

Hemant Jalan is the Managing Director of our Company. He holds a bachelor's of technology degree in chemical engineering from the Indian Institute of Technology, Kanpur, a master's degree in science from Stanford University and a master's degree in business administration from the University of Chicago. He has over 20 years of experience in the paint industry. Previously, he was associated with AF Ferguson & Co. as a consultant. Presently, he is associated with Halogen Chemicals Private Limited as a director. He is a Director on our Board since March 28, 2000.

Anita Jalan is an Executive Director of our Company. She has not received a formal educational degree. She has over 20 years of experience as a director in our Company. She is a Director on our Board since March 28, 2000.

Praveen Kumar Tripathi is an Independent Director of our Company. He holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Kanpur and a post graduate diploma in management from Indian Institute of Management, Ahmedabad. He has several years of experience in sectors such as media planning and advertising, media and market research, brand consulting, communication planning, data analytics and financial services. Previously, he was associated with Motilal Oswal Financial Services Limited as an independent director, ZenithOptimedia Asia as president – South Asia & regional strategic planning director Asia, Chaitra Leo Burnett Private Limited as an associate regional director – media and strategic planning, Starcom, India, division of TLG India Private Limited, as an associate director – media and strategic planning, Pidilite Industries Limited as president **-** marketing and sales services, Lowe Lintas, a division of Lintas India Private Limited as an account supervisor and Hansa Consulting, a division of Hansavision Private Limited. He was 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. Further, he was a member of an advisory and transparency committee constituted by TAM Media Research Private Limited and the president of the Market Research Society of India in 1996. He also participated in the 'Building Partners for Aadhar Communication' workshop organised by the Unique Identification Authority of India, Government of India as a delegate. Presently, he is associated with Magic9 Media & Consumer Knowledge Private Limited and Indevia Accounting Private Limited as a director. He is a Director on our Board since November 13, 2014.

Sunil Goyal is an Independent Director of our Company. He has completed a three year degree course in commerce from Seth Motilal College, University of Rajasthan and is a qualified chartered accountant. He has several years of experience as a director in the finance and manufacturing sectors. He is the founder and managing partner of Kreston SGCO Advisors LLP, the managing director of Ladderup Finance Limited and is a director on the board of Kreston International Limited. Further, he was the chairman of the Western India Regional Council of the Institute of Chartered Accountants of India for the year 2006 **-** 2007. He is a Director on our Board since November 13, 2014.

Narayanan Kutty Kottiedath Venugopal is an Executive Director of our Company. He holds a bachelor's of science degree in mechanical engineering from the University of Kerala and a post graduate diploma in management from the Indian Institute of Management, Calcutta. He has several years of experience in the paint industry. Previously, he was associated with Hi-Build Coatings Private Limited as the managing director. He is a Director on our Board since February 24, 2016.

Sakshi Chopra is a Nominee Director of our Company. She holds a bachelor's degree in commerce from the University of Mumbai and a master's degree in business administration from the Asian Institute of Management, Republic of the Philippines. She has been awarded the Shri Anil Basu memorial award in post graduate diploma course in advertising and public relations from the Indian Institute of Mass Communication. She has over 10 years of experience in private equity funds. Previously, she was associated with Sequoia Capital India Advisors Private Limited as a principal. Presently, she is associated with Sequoia Capital India LLP as a principal. She is a Director on our Board since October 10, 2018.

Ravi Nigam is the Independent Director of our Company. He holds a post graduate diploma in rural management from the Institute of Rural Management Anand (IRMA) and has completed the owner president management (OPM) program from Harvard Business School (HBS). He has several years of experience in the manufacturing industry. His previous engagement was as a managing director of Tasty Bites Eatables Limited. Presently, he is associated with Visage Lines Personal Care Private Limited as a nominee director, Extraaedge Technology Solutions Private Limited, Sunshot Technologies Private Limited as a non-executive director and Ronin Wines Private Limited as an additional director. He is a Director on our Board since March 28, 2019.

Ravi Shankar Ganapathy Agraharam Venkataraman is an Alternate Director of our Company. He holds a bachelor's degree in computer science and engineering from Bharathidasan University and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 16 years of experience in private equity funds. Previously, he was associated with McKinsey & Company, Inc. Presently, he is associated with various companies as a director including Sequoia Capital India Advisors Private Limited where he acts as the managing director. He was appointed on the Board of our Company with effect from October 10, 2018 as a nominee director. He ceased to be a Director on the Board of our Company on March 2, 2020. He was re-appointed on the Board of our Company as an Alternate Director with effect from March 11, 2020.

Nupur Garg is an Independent Director of our Company. She holds a bachelor's degree in commerce (honours course) from the University of Delhi and a master's degree in business administration from the Massachusetts Institute of Technology. She is a qualified chartered accountant and has attended a programme on private equity and venture capital from Harvard Business School. She has several years of experience in the finance and private equity sectors. She is the founder and director of Winpe Development Forum and an independent director on the boards of Small Industries Development Bank of India and Kerala Infrastructure Fund Management Limited. She is an external member of the investment committees for the Fund of Funds-1 managed by National Investment and Infrastructure Fund, the Dutch Good Growth Fund's investment fund mandate and an expert member of SIDBI's Venture Capital Investment Committee. Previously, she was associated with Price Waterhouse, Discovery Communications India and International Finance Corporation. She is a Director on our Board since June 1, 2020.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Other than Sakshi Chopra (and our Alternate Director, Ravi Shankar Ganapathy Agraharam Venkataraman), nominated by the Investor Selling Shareholders pursuant to the SHA 2016, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board. For details, see "*History and Certain Corporate Matters – Summary of Key Agreements*" on pages 180-181.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Directors

Hemant Jalan

Hemant Jalan is a Director on our Board since incorporation. Our Shareholders, pursuant to a special resolution passed on April 10, 2000, appointed him as the Managing Director of our Company. Hemant Jalan was re-appointed as the Managing Director of our Company by our Board pursuant to a resolution dated March 7, 2018. Subsequently, our Company converted into a public limited company and a fresh certificate of incorporation dated August 20, 2020 was issued by the RoC. Thereafter, our Shareholders pursuant to special resolution passed on October 7, 2020 approved the appointment of Hemant Jalan as our Managing Director for a period of five years with effect from March 7, 2018.

Hemant Jalan has entered into an employment agreement dated October 15, 2020 which includes details of his remuneration and perquisites with our Company. The employment agreement *inter alia* provides that the details of his remuneration will be decided by our Board from time to time. Further, in accordance with the employment agreement, his remuneration includes the actual travelling expenses, actual entertainment expenses and approved club membership fees reasonably incurred in or about the business of our Company; actual hospital and medical expenses incurred for himself, his wife, dependent parents and children; entitlement and expenses for maintenance and running of our Company's car and expenses of our Company's telephone usage at his residence. He shall also be entitled to such increments, from time to time, as our Board may at its discretion determine and shall be entitled to privilege annual leave on full salary for a period of one month.

Our Board pursuant to a resolution dated March 11, 2020 and our Shareholders pursuant to special resolution passed on October 7, 2020 approved the remuneration of our Managing Director, as ₹ 14.4 million per annum for Financial Year 2021.

Anita Jalan

Anita Jalan is a Director on our Board since incorporation. Our Shareholders, pursuant to a special resolution passed on April 10, 2000, appointed her as a whole-time Director of our Company. Anita Jalan was appointed as an Executive Director of our Company by our Board pursuant to a resolution dated March 11, 2020 and Shareholders pursuant to a special resolution passed on June 1, 2020 approved her appointment for a period of five years with effect from June 1, 2020.

Anita Jalan has entered into an employment agreement dated October 22, 2020 with our Company which includes details of her remuneration and perquisites. The employment agreement *inter alia* provides that the details of her remuneration will be decided by our Board from time to time. Further, in accordance with the employment agreement, her remuneration includes actual travelling expenses, entitlement and expenses for maintenance and running of our Company's car and expenses of Company's telephone usage at her residence. She shall also be entitled to such increments from time to time as our Board may at its discretion determine.

Our Board pursuant to a resolution dated April 4, 2008. Subsequently, our Company converted into a public limited company and a fresh certificate of incorporation dated August 20, 2020 was issued by the RoC. Thereafter, our Shareholders pursuant to special resolution passed on June 1, 2020 approved the remuneration of our Executive Director, Anita Jalan, as ₹ 0.6 million per annum for Financial Year 2021.

Narayanan Kutty Kottiedath Venugopal

Narayanan Kutty Kottiedath Venugopal was appointed as a Director on our Board by a resolution pursuant to a resolution dated February 24, 2016 and pursuant to a special resolution passed by our Shareholders on September 30, 2016. Further, Narayanan Kutty Kottiedath Venugopal was appointed as an Executive Director of our Company by our Board pursuant to a resolution dated March 11, 2020 and our Shareholders pursuant to a special resolution passed on June 1, 2020 approved his appointment for a period of five years with effect from June 1, 2020.

Narayanan Kutty Kottiedath Venugopal has entered into an employment agreement dated October 22, 2020 with our Company which includes details of his remuneration and perquisites. The employment agreement *inter alia* provides that the details of his remuneration will be decided by our Board from time to time. Further, in accordance with the employment agreement, his remuneration includes actual travelling expenses, entitlement and expenses for maintenance and running of our Company's car and expenses of Company's telephone usage at his residence. He will also be entitled to such increments from time to time as our Board may at its discretion determine.

Our Board pursuant to a resolution dated March 11, 2020 and our Shareholders pursuant to special resolution passed on June 1, 2020 approved the remuneration of our Executive Director, Narayanan Kutty Kottiedath Venugopal, as ₹ 9.6 million per annum for Financial Year 2021.

In addition to the above, Narayanan Kutty Kottiedath Venugopal may be entitled to employee stock options as determined by our Board, from time to time. As on the date of this Draft Red Herring Prospectus, Narayanan Kutty Kottiedath Venugopal holds 120,250 options under the ESOS 2014.

Payment or benefit to Directors of our Company

Details of the sitting fees/other remuneration paid to our Directors in the Financial Year 2020 are set forth below.

Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in the Financial Year 2020 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)[(2)]
1.	Hemant Jalan[(1)]	9.00
2.	Anita Jalan[(3)]	0.60
3.	Narayanan Kutty Kottiedath Venugopal[(3)]	6.90[(4)]

(1) *Hemant Jalan is also one of our Key Managerial Personnel by virtue of being the Managing Director of our Company.*
(2) *The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.*
(3) *Anita Jalan and Narayanan Kutty Kottiedath Venugopal are also two of our Key Managerial Personnel by virtue of being Executive Directors of our Company.*
(4) *Excludes employee stock option perquisites.*

There is no contingent or deferred compensation accrued for the year payable to the Directors, even if the compensation is payable at a later date.

Remuneration to our non-executive Directors

Our Independent Directors, Nominee Director and Alternate Director are entitled to receive sitting fees of ₹ 100,000 every meeting of the Board or any Committee that they attend with effect from Financial Year 2021. Further, pursuant to a resolution passed by our Board on September 29, 2020, one of our Independent Directors, Nupur Garg is entitled to an annual commission of ₹ 0.6 million. In the Financial Year 2020, our Independent Directors, Nominee Director and Alternate Director have not received any remuneration.

Bonus or profit-sharing Plan of the Directors

None of our Directors is a party to any bonus or profit-sharing plan of our Company.

Shareholding of Directors in our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of the Director	Number of Equity Shares Held
Hemant Jalan	10,237,500
Anita Jalan	6,987,500

In addition to the above, Narayanan Kutty Kottiedath Venugopal, our Executive Director has been granted 120,250 options under the ESOS 2014.

Our Articles of Association do not require our Directors to hold any qualification shares.

Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. Some of our Directors hold positions as directors on the board of directors of our Promoter. For further details, see " – *Terms of Appointment of our Executive Directors*", " – *Payment or benefit to Directors of our Company*", on pages 187-188 and 188-189.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them. Narayanan Kutty Kottiedath Venugopal, our Executive Director, may also be interested to the extent of employee stock options granted to him.

Except Hemant Jalan and Anita Jalan, who are our Promoters, none of our Directors have any interests in the promotion or formation of our Company.

Except as stated in "*Other Financial Information – Related Party Transactions*" on page 266 and as disclosed in this section our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company. No loans have been availed by our Directors from our Company. None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company or in the promotion or formation of our Company.

For details in relation to the relationship between our Directors, see " – *Relationship between our Directors and our Key Managerial Personnel*" on page 198.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below.

Name	Date of Change	Reason
Nupur Garg	June 1, 2020	Appointed as Independent Director
Anita Jalan	June 1, 2020	Re-designated as Executive Director
Praveen Kumar Tripathi	June 1, 2020	Re-designated as Independent Director
Sunil Goyal	June 1, 2020	Re-designated as Independent Director
Narayanan Kutty Kottiedath Venugopal	June 1, 2020	Re-designated as Executive Director
Anita Jalan	March 11, 2020	Appointment as additional Executive Director
Praveen Kumar Tripathi	March 11, 2020	Appointment as additional Independent Director
Sunil Goyal	March 11, 2020	Appointment as additional Independent Director
Narayanan Kutty Kottiedath Venugopal	March 11, 2020	Appointment as additional Executive Director
Ravi Shankar Ganapathy Agraharam Venkataraman	March 11, 2020	Appointment as an Alternate Director to Sakshi Chopra
Kamala Prasad Jalan	March 11, 2020	Cessation as Non-Executive Director
Ravi Shankar Ganapathy Agraharam Venkataraman	March 2, 2020	Cessation as Nominee Director
Ravi Nigam	March 28, 2019	Appointment as Independent Director
Ravi Shankar Ganapathy Agraharam Venkataraman	October 10, 2018	Appointment as Nominee Director
Sakshi Chopra	October 10, 2018	Appointment as Nominee Director
Abhay Kumar Pandey	September 12, 2018	Cessation as Nominee Director
Bharadwaj Thiruvenkata Venkatavaraghavan	September 12, 2018	Cessation as Nominee Director
Hemant Jalan	March 7, 2018	Appointment as Managing Director

Borrowing Powers of Board

Pursuant to the provisions of the Companies Act, 2013 and the rules framed thereunder, our Board is authorised to borrow such monies which together with the money already borrowed does not exceed the paid-up share capital and free reserves of our Company. Our Board pursuant to its resolution on September 29, 2020 has approved the borrowing powers up to ₹ 1,000 million.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises eight Directors, including four Independent Directors, three Executive Directors (including our Managing Director), one Nominee Director. Further, our Board also comprises an Alternate Director to our Nominee Director. Three of our eight Directors are woman Directors. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Sunil Goyal (*Independent Director*), Chairman;
2. Nupur Garg (*Independent Director*);
3. Sakshi Chopra* (*Nominee Director*);
4. Ravi Nigam (*Independent Director*);
5. Praveen Tripathi (*Independent Director*); and
6. Hemant Jalan (*Managing Director*).

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

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on March 11, 2020 and was last re-constituted pursuant to resolution passed by our Board in its meeting held on November 5, 2020. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on March 11, 2020 are set forth below.

1. 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;
2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Examination of the financial statement and auditors' report thereon;
7. Monitoring the end use of funds raised through public offers and related matters;
8. 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, and making appropriate recommendations to the Board to take up steps in this matter;

9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

10. Approval or any subsequent modification of transactions of the Company with related parties;

11. Scrutiny of inter-corporate loans and investments;

12. Valuation of undertakings or assets of the Company, wherever it is necessary;

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. 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;

16. Discussion with internal auditors of any significant findings and follow up there on;

17. 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;

18. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. 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;

20. To establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;

21. To review the functioning of the whistle blower mechanism;

22. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

23. 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;

24. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The audit committee shall mandatorily review 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

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Ravi Nigam (*Independent Director*), Chairman

2. Nupur Garg (*Independent Director*); and

3. Sunil Goyal (*Independent Director*).

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

1. 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 our 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;

2. Formulating criteria for evaluation of performance of independent directors and the Board;

3. Devising a policy on diversity of Board;

4. 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;

5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

7. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

8. 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; and

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

9. 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;

10. Administering, monitoring and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Company;

11. 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

12. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Nupur Garg (*Independent Director*), Chairperson;

2. Hemant Jalan (*Managing Director*); and

3. Narayanan Kutty Kottiedath Venugopal (*Executive Director*).

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

a) 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.;

b) Review of measures taken for effective exercise of voting rights by shareholders;

c) 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;

d) 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;

e) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

f) To approve, register, refuse to register transfer or transmission of shares and other securities;

g) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

h) Allotment and listing of shares;

i) Approval of transfer or transmission of shares, debentures or any other securities;

j) To authorise affixation of common seal of the Company;

k) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

l) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

m) To dematerialize or rematerialize the issued shares;

n) Ensure proper and timely attendance and redressal of investor queries and grievances;

o) Carrying out any other functions contained in the Companies Act, 2013 and the rules notified thereunder 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

p) 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).

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Hemant Jalan (*Managing Director*), Chairperson

2. Anita Jalan (*Executive Director*); and

3. Praveen Kumar Tripathi (*Independent Director*).

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

1. 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 thereunder, each as amended;

2. 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;

3. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;

4. 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;

5. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

6. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and

7. 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.

Risk Management Committee

The members of the Risk Management Committee are:

1. Narayanan Kutty Kottiedath Venugopal (*Executive Director*) Chairman;

2. Hemant Jalan (*Managing Director*); and

3. Chetan Bhalchandra Humane (*Chief Financial Officer*).

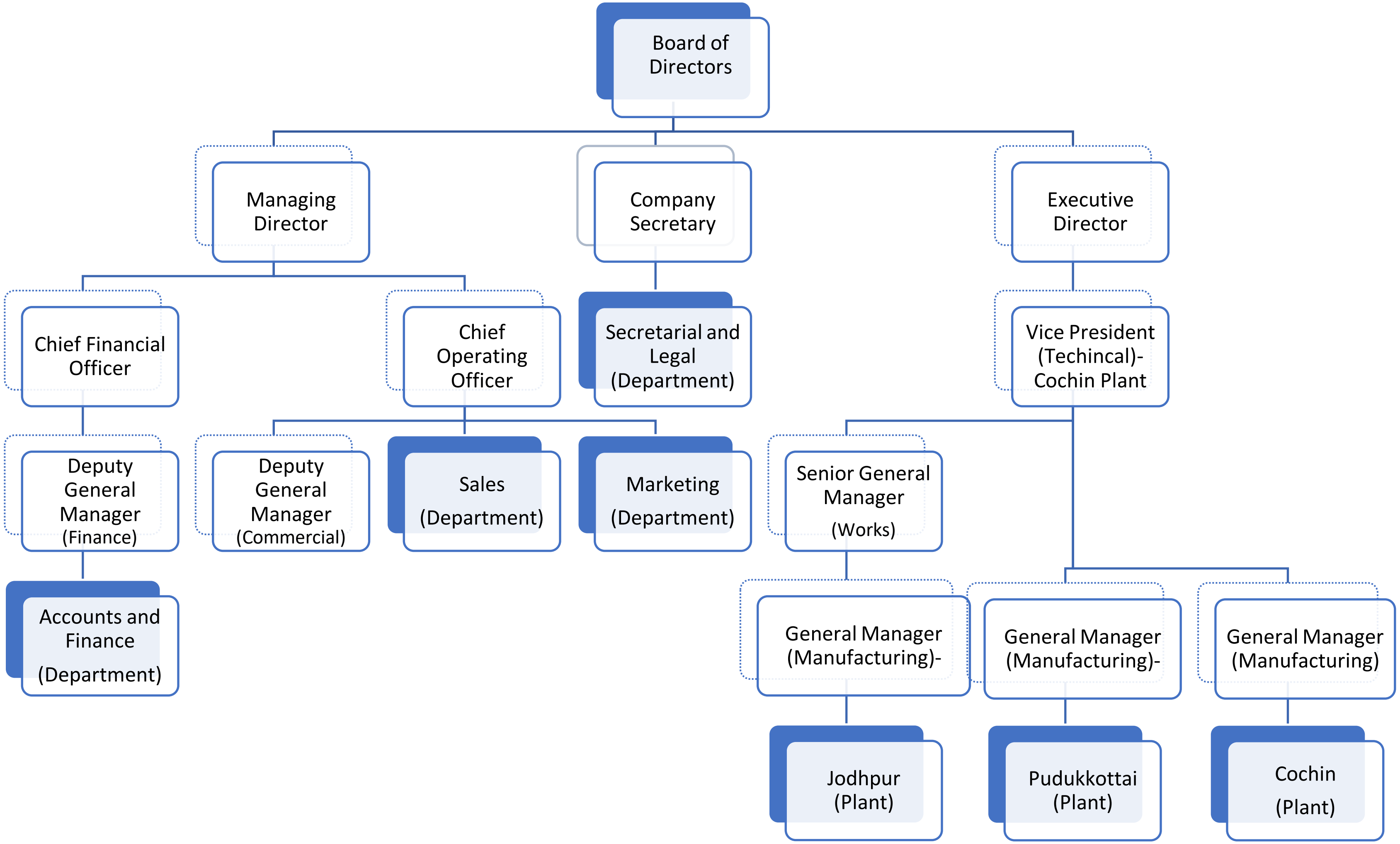
The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on October 20, 2020. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on March 11, 2020 are set forth below.

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

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

3. 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.

Management Organisation Structure



Key Managerial Personnel

The details of the Key Managerial Personnel, as of the date of this Draft Red Herring Prospectus are as follows:

Hemant Jalan is the Managing Director of our Company. Anita Jalan and Narayanan Kutty Kottiedath Venugopal are the Executive Directors of our Company. For details, see "*- Brief Biographies of Directors*" on pages 185-187. For details of compensation paid to our Executive Directors during Financial Year 2020, see "*- Payment or benefit to Directors of our Company – Remuneration to our Executive Directors*" on pages 187-188.

Chetan Bhalchandra Humane is the Chief Financial Officer of our Company. He holds a bachelor's and a master's degree in commerce from the University of Pune. He joined our Company with effect from September 10, 2001 and has been appointed as the Chief Financial Officer of the Company with effect from March 11, 2020. He has over 19 years of experience in accounting and finance. Prior to joining our Company, he was associated with Jenson & Nicholson (I) Ltd as a commercial assistant. During the Financial Year 2020, he received a remuneration of ₹ 2.96 million*, including a remuneration of ₹ 0.13 million* in his capacity as the Chief Financial Officer of our Company with effect from March 11, 2020.

Sujoy Bose is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from the University of Pune and a bachelor's degree in law from Savitribai Phule Pune University. He is an associate of the Institute of Company Secretaries of India. He joined our Company with effect from March 7, 2018. He has over 4 years of experience in legal and compliance functions. Prior to joining our Company, he was associated with BMC Legal LLP as senior executive – compliance services. During the Financial Year 2020, he received a remuneration of ₹ 0.54 million*.

Thundiyil Surendra Suresh Babu is the Chief Operating Officer of our Company. He holds a bachelor's degree in mechanical engineering from Sambalpur University and a post graduate diploma in management from the Xavier Institute of Management, Bhubaneswar. Pursuant to the Scheme of Amalgamation, he joined our Company on the effective date of the scheme, being April 19, 2017. He has over 16 years of experience in marketing and sales. Prior to joining our Company, he was associated with Berger Paints Limited, Idea Cellular Limited as deputy general manager – sales, Etisalat DB Telecom Private Limited as an associate vice president – sales and Hi-Build Coatings Private Limited as general manager – marketing. During the Financial Year 2020, he received a remuneration of ₹ 6.26 million*.

Varghese Idicula is the Vice President – Technical of our Company. He holds a bachelor's degree in science and a master's degree in administrative management from the University of Bombay. He has also received a diploma in paint technology from the Colour Society and the Indian Paint Association. Pursuant to the Scheme of Amalgamation, he joined our Company on the effective date of the scheme, being April 19, 2017. He has over 35 years of experience in research, development and production. Prior to joining our Company, he was associated with Asian Paints (India) Limited in technical function, Pidilite Industries Limited as head of research and development (paint coating), Sherwin Williams Saudi Arabia Limited as technical and purchase in-charge and Hi-Build Coatings Private Limited as general manager – technical. During the Financial Year 2020, he received a remuneration of ₹ 5.87 million*.

Srihari Santhakumar is the Deputy General Manager – Finance of our Company. He holds a bachelor of engineering degree in electronics and communication engineering from Anna University Chennai and a post graduate diploma in management from Bhartiya Vidya Bhavan's S.P. Jain Institute of Management & Research, Mumbai. He joined our Company with effect from August 19, 2019. He has over 7 years of experience in capital markets and finance. Prior to joining our Company, he was associated with SBI Capital Markets Limited as manager in the capital markets group. During the Financial Year 2020, he received a remuneration of ₹ 1.60 million*.

Vinay Menon is the Deputy General Manager – Commercial of our Company. He holds a bachelor's degree in mechanical engineering from the University of Pune and a master's degree in international business from University of Wollongong in Dubai. Pursuant to the Scheme of Amalgamation, he joined our Company on the effective date of the scheme, being April 19, 2017. He has over 14 years of experience in marketing and sales. Prior to joining our Company, he was associated with Sadolin Paints (Oman) Limited as senior sales executive and Hi-Build Coatings Private Limited as a product manager – trade. During the Financial Year 2020, he received a remuneration of ₹ 2.20 million*.

Satya Narayan Shukla is the Senior General Manager – Works of our Company. He holds a bachelor's degree in science from G.L.A. College, Medininagar, Jharkhand. He joined our Company with effect from March 28, 2000. He has over 20 years of experience in the paint industry. During the Financial Year 2020, he received a remuneration of ₹ 3.25 million*.

Pavan Sharma is the General Manager – Technical of our Company. He holds a bachelor of engineering degree in production and industrial engineering from the University of Rajasthan. He joined our Company with effect from December 19, 2002. He has over 17 years of experience in the paint industry. During the Financial Year 2020, he received a remuneration of ₹ 3.03 million*.

Shinu Varghese is the General Manager – Manufacturing of our Company. He holds a bachelor's degree and a master's degree in science from Mahatma Gandhi University, Kottayam. Pursuant to the Scheme of Amalgamation, he joined our Company on the effective date of the scheme, being April 19, 2017. He has over 19 years of experience in production and manufacturing. Prior to joining our Company, he was associated with BASF Coatings Private Limited as a production executive and Goodlass Nerolac Paints Limited as a junior officer. During the Financial Year 2020, he received a remuneration of ₹ 2.81 million*.

Sridhar Haridass is the General Manager – Manufacturing of our Company. He holds a bachelor of science degree in chemistry and has completed a master of science degree in chemistry from Bharathidasan University. Pursuant to the Scheme of Amalgamation, he joined our Company on the effective date of the scheme, being April 19, 2017. He has over 27 years of experience in production and manufacturing. Prior to joining our Company, he was associated with Herborganics Private Limited and Incowax Limited as a chemist, MRF Limited, as production chemist, Asian Paints (India) Limited as supervisor chemist and Hi-Build Coatings Private Limited as a production executive. During the Financial Year 2020, he received a remuneration of ₹ 2.21 million*

**The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole and excludes employee stock option perquisites, if any.*

All our Key Managerial Personnel are permanent employees of our Company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

Shareholding of Key Managerial Personnel in our Company

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Name of Key Managerial Personnel	Number of Equity Shares held
Hemant Jalan	10,237,500

In addition to the Equity Shares held, certain of our Key Managerial Personnel have been granted certain options under the ESOS 2014 and the ESOS 2019. For details in relation to the options granted to our Key Managerial Personnel see, "*Capital Structure*" on pages 84-88.

Relationship between our Directors and our Key Managerial Personnel

Except as disclosed below, (a) none of our Directors are related to each other or to any of the Key Managerial Personnel, and (b) none of our Key Managerial Personnel are related to each other:

S No.	Name of Director/ Key Managerial Personnel	Related to	Nature of relationship
1.	Hemant Jalan	Anita Jalan	Spouse
2.	Anita Jalan	Hemant Jalan	Spouse
3.	Narayanan Kutty Kottiedath Venugopal	Vinay Menon	Father
4.	Vinay Menon	Narayanan Kutty Kottiedath Venugopal	Son

Interests of Key Managerial Personnel

None of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). For details, see "*- Shareholding of Key Managerial Personnel in our Company*" on page 198.

No loans have been availed by our Key Managerial Personnel from our Company.

Changes in our Key Managerial Personnel in the three immediately preceding years

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below.

Name	Date of change	Reason for change
Chetan Bhalchandra Humane	March 11, 2020	Appointment as Chief Financial Officer
Srihari Santhakumar	August 19, 2019	Appointment as Deputy General Manager – Finance

Name	Date of change	Reason for change
Sujoy Bose	March 7, 2018	Appointment as Company Secretary
Hemant Jalan	March 7, 2018	Appointment as Managing Director

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Bonus or profit sharing plans for our Key Managerial Personnel

Other than the performance bonus component of their remuneration, our Key Managerial Personnel are not parties to any bonus or profit sharing plan of our Company.

Employee stock option plan and employee stock purchase plan

For details of our employee stock option plans, see "*Capital Structure*" on pages 83-89.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Hemant Jalan,
2. Anita Jalan,
3. Parag Jalan,
4. Kamala Prasad Jalan,
5. Tara Devi Jalan, and
6. Halogen Chemicals Private Limited.

As on the date of this Draft Red Herring Prospectus, the Promoters, in aggregate, hold 27,356,615 Equity Shares in our Company, representing 94.26% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoters*", on pages 78-80.

Details of our Promoters

1. **Hemant Jalan**

Hemant Jalan, born on August 23, 1957, aged 63 years, is a citizen of India. He resides at 6, Paradise, Baner Road, Pune 411 045. He is the Managing Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" beginning on pages 185-186.

His PAN is ACPPJ5024Q and his driving license number is MH12 20060034371.

His aadhaar card number is 5670 4632 1986.

2. **Anita Jalan**

Anita Jalan, born on September 3, 1960, aged 60 years, is a citizen of India. She resides at 6, Paradise, Baner Road, Pune 411 045. She is an Executive Director of our Company. For further details, see "*Our Management – Brief biographies of Directors*" beginning on page 186.

Her PAN is AEIPJ0697Q and her driving license number is MH12 20100078091.

Her aadhaar card number is 8529 5067 6513.

3. **Parag Jalan**

Parag Jalan, born on July 24, 1987, aged 33 years, is a citizen of India. He resides at 6, Paradise, Baner Road, Pune 411 045. He holds a bachelor of chemical engineering degree from the University of Delaware and a master of business administration degree from Yale University. He has several years of experience in consultancy services. Previously, he was associated with BlackRock, Inc., Clinton Health Access Initiative, Inc. as a country support manager, Southeast Asia and McKinsey & Company, Inc., United States as an associate. Presently, he is associated with One Acre Fund as a consultant.

His PAN is AGVPJ4534F and his driving license number MH12 20050703214.

His aadhaar card number is 3182 2183 9155.

4. **Kamala Prasad Jalan**

Kamala Prasad Jalan, born on October 31, 1931, aged 89 years, is a citizen of India. He resides at 6, Paradise, Baner Road, Pune 411 045. He holds a bachelor's degree in commerce and law from the University of Calcutta. He has over 36 years of experience as a director in the manufacturing sector. Presently he is associated with Halogen Chemicals Private Limited as a director.

His PAN is ADRPJ3514G. He does not have a driving license.

His aadhaar card number is 3444 0456 2031.

Records of educational qualifications of Kamala Prasad Jalan are not traceable. For further details see, "*Risk Factors – We have not been able to obtain certain records of the educational qualifications of one of our Promoters, Kamala Prasad Jalan, and have relied on certificates furnished by him for such details of his profile, included in this Draft Red Herring Prospectus*" on page 45.

5. **Tara Devi Jalan**

Tara Devi Jalan, born on June 17, 1937, aged 83 years, is a citizen of India. She resides at 6, Paradise, Baner Road, Pune 411 045. She has not received a formal educational degree.

Her PAN is AGVPJ4534F. She does not have a driving license.

Her aadhaar card number is 8964 9311 6639.

6. **Halogen Chemicals Private Limited**

Corporate information

Halogen Chemicals was incorporated on January 4, 1984 at Patna as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by Registrar of Companies, Bihar at Patna. The registered office of our corporate Promoter is at 103, First Floor, Montreal Business Center, Behind Mauli Petrol Pump, Baner Road, Baner, Pune 411 045.

Halogen Chemicals is engaged in the business of manufacturing of chemicals, buying, selling, importing and exporting and it has not changed its activities from the date of its incorporation.

Promoters of our corporate Promoter

1. Anita Jalan;
2. Hemant Jalan;
3. Kamala Prasad Jalan; and
4. Tara Devi Jalan

Details of change in control

There has been no change in the control of our corporate Promoter in the last three years preceding the date of this Draft Red Herring Prospectus.

Board of directors of our corporate Promoter

The board of directors of our corporate Promoter as on the date of this Draft Red Herring Prospectus are:

S. No.	***Name***	***Designation***
1.	Hemant Jalan	Director
2.	Kamala Prasad Jalan	Whole Time Director

Shareholding Pattern of our corporate Promoter

S. No.	***Name***	***Number of equity shares***	***Percentage***
1.	Anita Jalan	38,400	52.98
2.	Tara Devi Jalan	5,000	6.90
3.	Kamala Prasad Jalan	3,767	5.20
4.	Hemant Jalan	25,310	34.92

Our Company confirms that the PAN, bank account numbers and passport numbers, to the extent available, of our Individual Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number, the company registration number and addresses of the registrar of companies where our corporate Promoter is registered, shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change of control of our Company

Hemant Jalan, Anita Jalan and Kamala Prasad Jalan are the original promoters of our Company. Parag Jalan, Tara Devi Jalan and Halogen Chemicals are not our original promoters and were named as promoters in the annual returns filing made since the financial year 2015. Parag Jalan, Tara Devi Jalan are the shareholders of our Company since March 31, 2007 and Halogen Chemicals is the shareholder of our Company since May 1, 2000. For further details, see "*Capital Structure – Build-up of Promoters' Equity shareholding in our Company*" on page 78-80. There has not been any change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested in our Company to the extent of their shareholding in our Company, directly and indirectly, the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoters*", on pages 78-80.

Further, Hemant Jalan and Anita Jalan are also interested in our Company as Directors. For details on the terms of their appointment, see "*Our Management – Terms of Appointment of our Executive Directors*" on pages 187-188.

Our Promoters have no interest in any property acquired by or leased to our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired or leased to our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment of benefit to our Promoters or Promoter Group

Except in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" on page 266, no amount or benefit has been paid or given to our Promoters during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters.

Experience in the business of our Company

For details in relation to experience of Hemant Jalan and Anita Jalan in the business of our Company, see "*Our Management – Brief Biographies of Directors*". For details in relation to experience of Kamala Prasad Jalan in the business of our Company, see " *– Details of our Promoters*".

Our Promoters, Parag Jalan and Tara Devi Jalan may not have adequate experience in the business of our Company. The business of our Company is managed by our other Promoters. Our Promoters are assisted by a team of qualified professionals to manage the operations of our Company. Please see "*Risk Factors – Certain of our Promoters may not have adequate experience in the business activities undertaken by our Company*" on page 45.

Material guarantees given by our Promoters

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company in the last three years preceding the date of filing of this Draft Red Herring Prospectus.

Our Promoter Group

The persons forming part of our Promoter Group (other than our Promoters) are as follows:

S. No.	Name of Promoter	Name of relative	Relationship
1.	Hemant Jalan	Kiran Nemani	Spouse's sister
		Shashi Bhagat	Spouse's sister
		Sudha Saxena	Sister
2.	Anita Jalan	Kiran Nemani	Sister
		Shashi Bhagat	Sister
		Sudha Saxena	Spouse's sister
3.	Kamala Prasad Jalan	Shashi Kala Modi	Sister
		Sudha Saxena	Daughter
		Radhe Shyam Harlalka	Spouse's brother
4.	Tara Devi Jalan	Sudha Saxena	Daughter
		Radhe Shyam Harlalka	Brother
		Shashi Kala Modi	Spouse's sister

GROUP COMPANIES

Pursuant to a resolution dated November 5, 2020, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, Group Companies of our Company shall include (i) the companies (excluding Halogen Chemicals, our corporate Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as at and for the six months ended September 30, 2020 and for the financial years ended March 31 2020, March 31, 2019 and March 31, 2018; or (ii) such other company as deemed material by our Board.

Accordingly, based on the parameters outlined above, our Company does not have any Group Company.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder. The dividend distribution policy of our Company was approved and adopted by our Board on October 20, 2020. We may retain all our future earnings, if any, for use in the operations and expansion of our business. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, see "*Risk Factors* - *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 45.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" beginning on page 267.

We have not declared and paid any dividends on the Equity Shares, Class A1 Equity Shares, Class A2 Equity Shares and Preference Shares in any of the three Financial Years preceding the filing of this Draft Red Herring Prospectus and until the filing of this Draft Red Herring Prospectus. However, our Board made a provision for dividend at the rate of 0.001% on the Preference Shares along with tax on such dividend for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

(*The remainder of this page is intentionally left blank*)

Independent Auditors' Examination Report on the Restated Ind AS Summary Statements of Assets and Liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 and Restated Ind AS Summary Statement of Profits and Losses (including Other Comprehensive Income), Restated Ind AS Summary Statement of Cash Flows and Restated Ind AS Summary Statement of Changes in Equity, the Summary Statement of Significant Accounting Policies, and other explanatory information for six months period ended September 30, 2020 and September 30, 2019 and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018, of Indigo Paints Limited (collectively, the "Restated Ind AS Summary Statements").

To,

The Board of Directors
Indigo Paints Limited
(formerly known as "Indigo Paints Private Limited")
Indigo Tower, Street – 5
Pallod Farm – 2, Baner Road
Pune – 411045
Maharashtra, India.

Dear Sirs / Madams:

1. We S R B C & CO LLP, Chartered Accountant ("We" or "us" or "SRBC") have examined the attached Restated Ind AS Summary Statements of Indigo Paints Limited (the "Company") **(formerly known as "Indigo Paints Private Limited")** as at and for the six months ended September 30, 2020 and September 30, 2019 and as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 annexed to this report and prepared by the Company for the purpose of inclusion in the (i) draft red herring prospectus proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"); (ii) red herring prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Pune ("Registrar of Companies"); and (iii) prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies (collectively referred to as "Offer Documents") in connection with its proposed initial public offer of equity shares through a fresh issuance of equity shares of face value of Rs. 10 each of the Company and offer for sale by the certain selling shareholders of the Company (collectively, the "Offering"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on November 05, 2020, have been prepared in accordance with the requirements of:

   a) sub- section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

   b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) the Guidance note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Ind AS Summary Statements

2. The preparation of the Restated Ind AS Summary Statements, which are to be included in the Offer Documents is the responsibility of the Management of the Company. The Restated Ind AS Summary Statements have been prepared by the Management of the Company on the basis of preparation, as stated in paragraph 2.1 (A) of Annexure V to the Restated Ind AS Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Summary Statements taking into consideration:

    a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated March 02, 2020, requesting us to carry out the assignment, in connection with the Offering;
    b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by the ICAI.
    c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; and
    d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Offering.

Restated Ind AS Summary Statements as per audited Financial Statements

4. The Restated Ind AS Summary Statements have been compiled by the management of the Company from:

    a) Audited Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2020 and September 30, 2019 prepared in accordance with the Indian Accounting Standard 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 05, 2020.

    b) Audited Ind AS financial statements of the Company as at and for year ended March 31, 2020 prepared in accordance with Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 03, 2020.

    c) Audited financial statements of the Company as at and for the year ended March 31, 2019, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been approved by the Board of Directors at their meeting held on September 20, 2019. The management of the Company has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended March 31, 2020 as referred to in paragraph 4(b) above.

d) Audited financial statements of the Company as at and for the year ended March 31, 2018, which were prepared in accordance with Indian GAAP at the relevant time which have been approved by the Board of Directors at their meeting held on September 05, 2018. The Restated Ind AS Summary Statements also includes proforma Ind AS Summary Statements for the year ended March 31, 2018 which have been prepared by the management from the audited financial statements of the Company as at and for the year ended March 31, 2018; have been adjusted by the management as described in Note 38 (F) of Annexure VII to the Restated Ind AS Summary Statements to make them compliant with recognition and measurement under Ind-AS .

5. For the purpose of our examination, we have relied on auditors' reports issued by us, dated November 05, 2020, July 03, 2020, September 20, 2019 and September 05, 2018 on the financial statements of the Company for and as at the six months period ended September 30, 2020 and September 30, 2019 and as at and for each the years ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively, as referred in paragraph 4 above.

6. Based on our examination and according to the information and explanations given to us, we report that Restated Ind AS Summary Statements:

a. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and six months period ended September 30, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2020;

b. have been prepared after incorporating proforma adjustments to the audited Indian GAAP Financials Statement as at and for the year ended March 31, 2018 as described in Note 38 (F) of Annexure VII to the Restated Ind AS Summary Statement.

c. does not contain any qualifications requiring adjustments. However, our reports dated November 05, 2020 for six months period ended September 30, 2020 and for the year ended March 31, 2020 includes an emphasis of matter on impact of COVID 19 on operations of the Company. Qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Ind AS Summary Statements have been disclosed in Part C of Annexure VI to the Restated Ind AS Summary Statements; and

d. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2020. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to September 30, 2020. The Restated Ind AS Summary Statements does not reflect the events that occurred subsequent to the respective dates of the reports on the Ind AS financial statements mentioned in paragraph 4 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock Exchanges and Registrar of Companies in connection with the Offering. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

Yours Truly,

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

per Tridevlal Khandelwal
Partner
Membership number: 501160
UDIN: **20501160AAAADE9386**

Place: Pune
Date: November 05, 2020

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure I
Restated Ind AS Summary Statement of Assets and Liabilities

Particulars	Annexure VII Note	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Assets						
Non-current assets						
Property, plant and equipment	3.1	1,403.53	903.90	1,420.30	864.33	614.24
Capital work in progress	3.1	25.78	309.02	10.89	43.97	24.63
Right-of-use assets	3.2	271.59	291.66	277.95	311.40	97.19
Goodwill	3.3	305.52	305.52	305.52	305.52	407.36
Other intangible assets	3.3	4.74	3.93	3.72	4.32	4.85
Financial assets						
a) Loans	5	57.96	46.11	54.81	40.71	6.88
b) Other financial assets	6	23.78	22.24	22.98	-	20.85
Income tax assets (net)		1.74	53.92	1.74	1.74	1.74
Other non-current assets	10	34.58	43.88	9.37	57.48	25.02
		2,129.22	1,980.18	2,107.28	1,629.47	1,202.76
Current assets						
Inventories	7	672.62	714.70	767.65	693.26	552.06
Financial assets						
a) Investments	4	305.93	202.30	208.37	197.04	184.34
b) Trade receivables	8	855.70	803.55	1,044.74	1,038.47	967.86
c) Cash and cash equivalents	9.1	121.48	42.71	56.84	118.42	46.23
d) Bank balances other than Cash and cash equivalents	9.2	-	-	-	21.81	0.20
e) Loans	5	5.56	2.27	3.16	3.25	2.55
f) Other financial assets	6	1.06	1.04	1.02	1.11	2.88
Other current assets	10	21.34	20.38	30.53	29.00	15.06
		1,983.69	1,786.95	2,112.31	2,102.36	1,771.18
Total assets		4,112.91	3,767.13	4,219.59	3,731.83	2,973.94
Equity and liabilities						
Equity						
a) Equity share capital	11.1	290.21	290.21	290.21	288.51	285.93
b) Instruments in the nature of equity	11.2	183.04	183.04	183.04	183.04	183.04
c) Other equity	12	1,770.48	1,079.46	1,497.28	1,003.08	805.64
Total equity		2,243.73	1,552.71	1,970.53	1,474.63	1,274.61
Liabilities						
Non-current liabilities						
Financial liabilities						
a) Borrowings	13.1	193.26	293.85	247.19	269.11	89.13
b) Lease liabilities	36	25.70	46.06	28.20	54.10	48.27
Other liabilities	16	35.14	35.01	38.46	31.67	17.89
Deferred tax liabilities (net)	18	57.05	63.27	69.67	21.02	-
Provisions	17	27.92	5.87	13.00	-	-
		339.07	444.06	396.52	375.90	155.29
Current liabilities						
Financial Liabilities						
a) Borrowings	13.2	-	232.40	145.29	247.06	226.38
b) Lease liabilities	36	31.75	29.73	34.41	39.87	28.83
c) Trade payables						
- total outstanding dues of micro and small enterprises	14	357.17	284.12	258.96	128.33	87.91
- total outstanding dues of creditors other than micro and small enterprises	14	833.88	945.37	1,126.94	1,234.09	997.41
d) Other financial liabilities	15	178.19	188.79	193.93	150.64	100.44
Other liabilities	16	85.03	77.61	56.14	78.28	101.60
Provisions	17	12.96	9.31	10.61	-	1.47
Income tax liabilities (net)		31.13	3.03	26.26	3.03	-
		1,530.11	1,770.36	1,852.54	1,881.30	1,544.04
Total liabilities		1,869.18	2,214.42	2,249.06	2,257.20	1,699.33
Total equity and liabilities		4,112.91	3,767.13	4,219.59	3,731.83	2,973.94

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Financial Statements and Annexure VII - Notes to Restated Ind AS Summary Statements.

As per our report of even date

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

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

per Tridevlal Khandelwal
Partner
Membership number: 501160

Place: Pune
Date: November 05, 2020

Hemant Jalan	Anita Jalan	Sujoy Bose	Chetan Humane
Managing Director	Director	Company Secretary	Chief financial officer
DIN: 80942	DIN: 85411	A - 43755	
Place: Pune	Place: Pune	Place: Pune	Place: Pune

Date: November 05, 2020

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure II
Restated Ind AS Summary Statement of Profit and Loss

Particulars	Annexure VII Note	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Income						
Revenue from operations	19	2,594.20	2,726.36	6,247.92	5,356.29	4,014.76
Other income	20	8.23	7.61	16.44	16.33	16.29
Total income (I)		2,602.43	2,733.97	6,264.36	5,372.62	4,031.05
Expenses						
Cost of raw materials and components consumed	21	1,238.18	1,509.74	3,211.32	2,965.15	2,216.20
Purchase of traded goods		53.57	46.19	108.56	81.29	55.70
Decrease / (increase) in inventories of finished goods and traded goods	22	60.32	(100.86)	(100.27)	(61.20)	40.90
Excise duty on sale of goods		-	-	-	-	64.04
Employee benefits expense	23	220.43	209.61	419.91	363.83	302.53
Finance costs	24	24.72	27.65	55.95	46.56	45.37
Depreciation and amortisation expense	25	112.15	96.42	196.10	170.54	90.24
Other expenses	26	540.81	827.13	1,698.52	1,466.30	1,077.37
Total expenses (II)		2,250.18	2,615.88	5,590.09	5,032.47	3,892.35
Restated profit before exceptional items and tax (III) = (I - II)		352.25	118.09	674.27	340.15	138.70
Exceptional items (IV)	39	-	-	-	3.05	13.16
Restated profit before tax (V) = (III - IV)		352.25	118.09	674.27	337.10	125.54
Tax expense						
Current tax	18	92.78	15.91	147.13	48.24	(3.08)
Deferred tax (including MAT credit entitlement / write-off)	18	(12.58)	42.24	48.99	20.16	-
Total tax expense (VI)		80.20	58.15	196.12	68.40	(3.08)
Restated profit for the year/ period (VII)=(V-VI)		272.05	59.94	478.15	268.70	128.62
Other comprehensive income (OCI)						
Items not to be reclassified to profit or loss in subsequent periods:						
Re-measurement (loss) / gain on defined benefit plans		(0.15)	0.03	(1.36)	2.47	2.97
Less: Income tax effect on above	18	0.04	(0.01)	0.34	(0.86)	-
Restated total other comprehensive income for the period/ year, net of tax (VIII)		(0.11)	0.02	(1.02)	1.61	2.97
Restated total comprehensive income for the period/ year, net of tax (IX)=(VII+VIII)		271.94	59.96	477.13	270.31	131.59
Restated Earnings per equity share (face value Rs.10)	27					
Computed on the basis of restated profit for the period / year (In Rs.)						
- Basic		6.03*	1.33*	10.61	5.98	2.88
- Diluted		5.97*	1.32*	10.49	5.90	2.82

*not annualised

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Financial Statements and Annexure VII - Notes to Restated Ind AS Summary Statements.

As per our report of even date.

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

per Tridevlal Khandelwal
Partner
Membership No.: 501160

Place: Pune
Date: November 05, 2020

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

Hemant Jalan	Anita Jalan	Sujoy Bose	Chetan Humane
Managing Director	Director	Company Secretary	Chief financial officer
DIN: 80942	DIN: 85411	A - 43755	
Place: Pune	Place: Pune	Place: Pune	Place: Pune

Date: November 05, 2020

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure III
Restated Ind AS Summary Statement of Cash Flows

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Cash flow from operating activities					
Restated profit before tax (after exceptional item)	352.25	118.09	674.27	337.10	125.54
Adjustment to reconcile restated profit before tax to net cash flows					
Depreciation and amortisation expense	112.15	96.42	196.10	170.54	90.24
Employee stock option cost	1.26	0.44	1.09	9.53	6.62
Provision for impairment allowance of financial assets (net)	4.35	0.29	2.84	8.10	9.64
(Gain) / loss on sale of PPE (net)	-	(0.64)	(0.81)	1.09	-
Finance cost	24.72	27.65	55.95	46.56	45.37
Fair value gain on financial instruments	(4.88)	(5.26)	(11.33)	(12.70)	(12.02)
Interest (income)	(0.91)	(0.72)	(1.71)	(1.89)	(1.76)
Operating profit before working capital changes	488.94	236.27	916.40	558.33	263.63
Working capital adjustments					
Increase / (decrease) in trade payables and other financial liabilities	(194.85)	(133.35)	22.96	277.12	233.01
Increase / (decrease) in other liabilities	25.57	2.67	(15.35)	(9.54)	40.70
Increase / (decrease) in provisions	16.55	15.20	22.59	0.14	(3.47)
(Increase) / decrease in trade receivables	184.69	234.63	(9.12)	(78.70)	(285.79)
(Increase) / decrease in inventories	95.03	(21.44)	(74.38)	(141.21)	(20.50)
(Increase) / decrease in other assets	9.20	8.62	(1.53)	(13.10)	5.59
(Increase) / decrease in other financial assets	(0.04)	0.07	0.09	1.77	7.07
(Increase) / decrease in loans	(5.55)	(4.42)	(14.01)	(34.53)	(1.42)
Cash generated from operations	619.54	338.25	847.65	560.28	238.82
Direct taxes paid (net of refunds)	(87.97)	(68.09)	(124.24)	(44.35)	(0.41)
Net cash flow from operating activities (A)	531.57	270.16	723.41	515.93	238.41
Cash flows (used in) investing activities					
Purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors	(134.57)	(351.50)	(614.02)	(638.27)	(197.36)
Proceeds from sale of property, plant and equipment	-	0.64	0.81	4.86	16.01
Proceeds from sale of investments	207.32	-	-	-	5.40
Investment in mutual fund	(300.00)	-	-	-	-
Proceeds from bank deposits (having original maturity of more than three months)	-	-	-	0.20	-
Interest received	0.11	0.29	0.54	0.93	5.08
Net cash flow (used in) investing activities (B)	(227.14)	(350.57)	(612.67)	(632.28)	(170.87)
Cash flows from financing activities					
Proceeds from exercise of share options	-	17.68	17.68	17.22	-
(Repayment of) / proceeds from short-term borrowings (net)	(145.29)	(14.66)	(101.77)	20.68	(11.55)
(Repayment) of long-term borrowings	(54.07)	(90.28)	(144.76)	(82.72)	-
Proceeds from long-term borrowings	-	136.22	145.98	305.01	5.84
Payment of principal portion of lease liabilities	(18.04)	(22.11)	(42.54)	(34.41)	(24.51)
Interest paid	(22.39)	(22.15)	(46.91)	(37.24)	(38.06)
Net cash flow (used in)/ from financing activities (C)	(239.79)	4.70	(172.32)	188.54	(68.28)
Net (decrease)/ increase in cash and cash equivalents (A + B + C)	64.64	(75.71)	(61.58)	72.19	(0.74)
Cash and cash equivalents at the beginning of the six months period / year	56.84	118.42	118.42	46.23	46.97
Cash and cash equivalents at the end of the six months period/ year	121.48	42.71	56.84	118.42	46.23
Components of cash and cash equivalents					
Cash on hand	0.54	1.16	0.95	1.12	0.93
Balances with banks					
- on current accounts	48.74	41.55	55.89	117.30	45.30
- on cash credit accounts (surplus)	72.20	-	-	-	-
Total cash and cash equivalents (refer note 9.1)	121.48	42.71	56.84	118.42	46.23

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Financial Statements and Annexure VII - Notes to Restated Ind AS Summary Statements.

As per our report of even date

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

per Tridevlal Khandelwal
Partner
Membership No.: 501160

Place: Pune
Date: November 05, 2020

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

Hemant Jalan	Anita Jalan	Sujoy Bose	Chetan Humane
Managing Director	Director	Company Secretary	Chief financial officer
DIN: 80942	DIN: 85411	A - 43755	
Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: November 05, 2020			

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure IV
Restated Ind AS Summary Statement of Changes in Equity

(A) Equity Share Capital:
Equity shares of Rs. 10 each issued, subscribed and fully paid

Particulars	No. of Shares	Amount
As at April 01, 2017 (Proforma)	28,593,500	285.93
Issue of shares on exercise of stock options #	-	-
As at March 31, 2018 (Proforma)	28,593,500	285.93
Issue of shares on exercise of stock options #	258,375	2.58
As at March 31, 2019	28,851,875	288.51
Issue of shares on exercise of stock options #	170,300	1.70
As at September 30, 2019	29,022,175	290.21
As at April 1, 2019	28,851,875	288.51
Issue of shares on exercise of stock options #	170,300	1.70
As at March 31, 2020	29,022,175	290.21
Issue of shares on exercise of stock options #	-	-
As at September 30, 2020	29,022,175	290.21

Refer note 11.1 and 32

(B) There are no changes in balance for Instruments in the nature of equity. Refer note 11.2.

(C) Other Equity

Particulars	Attributable to equity shareholders				Total other equity
	Reserves and surplus				
	Securities premium	General reserves	Employee stock option reserve	Retained earnings	
Balance as at April 1, 2017 (Proforma)	935.41	4.38	9.91	(282.27)	667.43
Restated profit for the year (net of taxes)	-	-	-	128.62	128.62
Restated Other comprehensive income for the year (net of taxes)	-	-	-	2.97	2.97
Share based payments (refer note 23 and 32)	-	-	6.62	-	6.62
Dividend on preference shares*	-	-	-	0.00	-
Tax on preference dividend*	-	-	-	0.00	-
Balance as at March 31, 2018 (Proforma)	935.41	4.38	16.53	(150.68)	805.64
Proforma Ind AS Adjustments (Refer note 38)					
- on account of reversal of goodwill amortisation and other adjustments	-	-	-	(97.04)	(97.04)
As at April 1, 2018	935.41	4.38	16.53	(247.72)	708.60
Restated profit for the year (net of taxes)	-	-	-	268.70	268.70
Restated Other comprehensive income for the year (net of taxes)	-	-	-	1.61	1.61
Exercise of share options (refer note 12 and 32)	20.32	-	(5.68)	-	14.64
Share based payments (refer note 23 and 32)	-	-	9.53	-	9.53
Dividend on preference shares*	-	-	-	0.00	-
Tax on preference dividend*	-	-	-	0.00	-
Balance as at March 31, 2019	955.73	4.38	20.38	22.59	1,003.08
Restated profit for the six month period (net of taxes)	-	-	-	59.94	59.94
Restated Other comprehensive income for the period (net of taxes)	-	-	-	0.02	0.02
Exercise of share options (refer note 12 and 32)	22.20	-	(6.22)	-	15.98
Share based payments (refer note 23 and 32)	-	-	0.44	-	0.44
Balance as at September 30, 2019	977.93	4.38	14.60	82.55	1,079.46
Balance as at April 1, 2019	955.73	4.38	20.38	22.59	1,003.08
Restated profit for the year (net of taxes)	-	-	-	478.15	478.15
Restated Other comprehensive income for the year (net of taxes)	-	-	-	(1.02)	(1.02)
Exercise of share options (refer note 12 and 32)	22.20	-	(6.22)	-	15.98
Share based payments (refer note 23 and 32)	-	-	1.09	-	1.09
Dividend on preference shares*	-	-	-	0.00	-
Tax on preference dividend*	-	-	-	0.00	-
Balance as at March 31, 2020	977.93	4.38	15.25	499.72	1,497.28
Restated profit for the six month period (net of taxes)	-	-	-	272.05	272.05
Restated Other comprehensive income for the period (net of taxes)	-	-	-	(0.11)	(0.11)
Share based payments (refer note 23 and 32)	-	-	1.26	-	1.26
Balance as at September 30, 2020	977.93	4.38	16.51	771.66	1,770.48

* 0.00 denotes figures are below the rounding off norms adopted by the Company

The above Statement should be read with the Annexure V - Significant accounting policies and explanatory notes to Restated Ind AS Summary Statements, Annexure VI - Statement of Restatement Adjustments to Audited Financial Statements and Annexure VII - Notes to Restated Ind AS Summary Statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal
Partner
Membership No.: 501160

Place: Pune
Date: November 05, 2020

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

Hemant Jalan	Anita Jalan	Sujoy Bose	Chetan Humane
Director	Director	Company Secretary	Chief financial officer
DIN: 80942	DIN: 85411	A - 43755	
Place: Pune	Place: Pune	Place: Pune	Place: Pune

Date: November 05, 2020

1. Corporate information

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited") ("the 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 has converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 01, 2020 and consequently the name of the Company has changed to Indigo Paints Limited pursuant to a fresh certificate of incorporation issued by ROC on August 20, 2020.

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

The Company's Restated Ind AS Summary Statements for the six months ended September 30, 2020 and September 30, 2019 and year ended March 31, 2020, March 31, 2019 and March 31, 2018 (Proforma) were approved for issue in accordance with a resolution of the directors on November 5, 2020.

2.1 Significant accounting policies

(A) Basis of preparation & transition to Ind AS

The Restated Ind AS Summary Statements of the Company comprise of the Restated Ind AS Summary Statement of Assets and Liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019, March 31, 2018 (Proforma), the related Restated Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Ind AS Summary Statement of Cash Flows and the Restated Ind AS Summary Statement of Changes in Equity for the six months ended September 30, 2020 and September 30, 2019 and years ended March 31, 2020, March 31, 2019 and March 31, 2018 (Proforma), and the Significant Accounting Policies and explanatory notes (collectively, the 'Restated Ind AS Summary Statements' or 'Statements').

These Statements have been prepared by the Management for the purpose of preparation of the restated financial statements as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, issued by the Securities and Exchange Board of India ('SEBI') on 11 September 2018, in pursuance of the Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with its proposed initial public offering of equity shares of face value of Rs. 10 each of the Company comprising a fresh issue of equity shares and an offer for sale of equity shares held by the selling shareholders (the "Offer"), prepared by the Company in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time; and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

The Restated Ind AS Summary Statements have been compiled from:

- Audited Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2020 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 05, 2020.

- Audited Interim Ind AS financial statements of the Company as at and for the six months period ended September 30, 2019 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 05, 2020.

- Audited Ind AS financial statements of the Company as at and for year ended March 31, 2020 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 03, 2020.

The financial statements for the year ended March 31, 2020 are the first financial statements that the Company has prepared in accordance with Ind AS. The date of transition is April 1, 2018. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which is considered as the previous GAAP, for purposes of Ind AS 101. Refer to Note 38 to Restated Ind AS Summary Statements for detailed information on how the Company transitioned to Ind AS.

- Audited financial statements of the Company as at and for the year ended March 31, 2019, which were prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") as prescribed under Section 133 of the Act read with Companies (Accounts) Rules 2014 (as amended), which have been approved by the Board of Directors at their meeting held on September 20, 2019. The Company has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP financial statements, using recognition and measurement principles of Ind AS, and has included such adjusted financial information as comparative financial information in the financial statements for the year ended March 31, 2020; and

- Audited financial statements of the Company as at and for the year ended March 31, 2018, which were prepared in accordance with Indian GAAP at the relevant time which have been approved by the Board of Directors at their meeting held on September 05, 2018. The Restated Ind AS Summary Statements also includes proforma Ind AS Summary Statements for the year ended March 31, 2018 which have been prepared from the audited financial statements of the Company as at and for the year ended March 31, 2018; have been adjusted as described in Note 38 (F) of Annexure VII to the Restated Ind AS Summary Statements to make them compliant with recognition and measurement under Ind-AS.

The proforma summary statements of the Company as at and for the year ended March 31, 2018, is prepared in accordance with requirements of SEBI Circular and the Guidance Note. For the purpose of Proforma Financial Statements for the year ended March 31, 2018 (Proforma) the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma summary statements for the year ended March 31, 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) (refer note 38 for other exemptions and exceptions) consistent with that used at the date of transition to Ind AS (i.e. April 01, 2018).

The difference between equity balance computed under proforma summary statements for the year ending March 31, 2018 (i.e. equity under Indian GAAP adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2018, with adjusted impact due to Ind-AS principles applied on proforma basis) and equity balance computed in opening Ind AS balance sheet as at transition date (i.e. April 01, 2018), prepared for filing under Companies Act, 2013 has been adjusted as a part of restated adjustments and carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

This note provides a list of the significant accounting policies adopted in the preparation of these Restated Ind AS Summary Statements. These policies have been consistently applied to all the years / six months presented, unless otherwise stated.

These Restated Ind AS Summary Statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective as at September 30, 2020.

The Restated Ind AS Summary Statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

a) Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

b) Employee share based payments - equity settled transactions - refer note 2.1(B)(o)

(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 Restated Ind AS Summary Statements are presented in INR, which is also its functional currency.

Transactions and balances

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

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

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

c. Fair value measurement

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

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

(i) In the principal market for the asset or liability, or

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the Restated Ind AS Summary 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 Restated Ind AS Summary 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 30to 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. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

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

(i) Rights of return

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

(ii) Volume rebates

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

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

Trade receivables

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

Contract liabilities

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

e. Government grants

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

f. Taxes

Current income tax

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

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

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

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.

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

Assets	Useful lives (in years) prescribed in Schedule II of the act (Single shift basis)
Factory building	30
Office building	60
Plant and machinery	5 to 15
Furniture and fixture	10
Electrical installation and equipment	10
Office equipment's	10
Computers and peripherals	3
Vehicles	8

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

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

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

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

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

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A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	Finite (10 years)	Amortised on a straight-line basis over the period of the computer software	Acquired
Goodwill	Infinite	No amortisation	Acquired

i. Borrowing costs

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

j. Leases

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

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated 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.

(iii)Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the 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

General

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

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

n. Retirement and other employee benefits

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

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

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

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

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognises related restructuring costs

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

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

(This space is intentionally left blank)

o. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(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.

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 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. Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Restated Ind AS Summary 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 Restated Ind AS Summary Statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

• *Determining method to estimate variable consideration and assessing the constraint*

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Restated Ind AS Summary 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 most appropriate method (i.e. discounted cash flow approach, comparable companies method, etc) for Employee Share Option Plan. The assumptions and models used for estimating fair value for share-based payment transactions are dependent on the terms of the scheme. Such assumptions include weighted average share price, exercise price, volatility, expected life option, risk free interest rate, etc.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets if available, otherwise, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instrument.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

The Company developed a model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

The Company’s expected volume rebates are analysed on a per customer basis for contracts that are subject to a volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer’s historical rebates entitlement and accumulated purchases to date.

The Company applied a model for estimating expected volume rebates for contracts. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Company.

The Company updates its assessment of expected returns and volume rebates annually and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Company’s past experience regarding returns and rebate entitlements may not be representative of customers’ actual returns and rebate entitlements in the future. Refer note 19 for further details.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure VI

Part A: Statement of Restatement Adjustments to Audited Financial Statements

Reconciliation between audited profit and restated profit

Sr. No.	Particulars	Note No.	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
A	Profit after tax (as per audited financial statements)		272.05	59.94	478.15	213.47	25.70
B	Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS	1	-	-	-	55.23	102.92
C	Restatement Adjustments		-	-	-	-	-
D	Restated profit after tax (A+B+C)		272.05	59.94	478.15	268.70	128.62

Reconciliation between total audited equity and total restated equity

Sr. No.	Particulars	Note No.	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)	As at April 1, 2017 (Proforma)
A.	Total Equity as per audited financial statements		2,243.73	1,552.71	1,970.53	1,412.99	1,182.30	1,156.60
B.	Adjustment for conversion from IGAAP to Ind AS/ Proforma Ind AS	1	-	-	-	61.64	92.31	(20.20)
C.	Material Restatement Adjustments							
	(i) Audit Qualifications :		-	-	-	-	-	-
	(ii) Other material adjustments		-	-	-	-	-	-
	Total (C)		-	-	-	-	-	-
D.	Total Equity as Restated Ind AS Summary Statement of Assets and Liabilities (A+B+C)		2,243.73	1,552.71	1,970.53	1,474.63	1,274.61	1,136.40

Note:

1. Adjustment for conversion from IGAAP to Ind AS

The audited financial statements of the Company as at and for the year ended March 31, 2019 and March 31, 2018 were prepared in accordance with accounting principles generally accepted in India including the Companies Accounting Standards Rules, 2006 (as amended) specified under Section 133 of the Act, Companies (Accounts) Rules, 2014 (as amended). The same have been converted into Ind AS to confirm with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, Read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. For further details, refer Annexure VII Note 38 for Ind AS adjustments of total comprehensive income for year ended March 31, 2019 and March 31, 2018 (Proforma) and for Equity as at March 31, 2019, March 31, 2018 (Proforma) and April 01, 2017 (Proforma).

Part B: Material Regrouping

Appropriate regroupings have been made in the Restated Ind AS Summary Statement of Assets and Liabilities, Restated Ind AS Summary Statement of Profit and Loss and Restated Ind AS Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company for the period ended September 30, 2020 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
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(All amount in Indian rupees million, unless otherwise stated)

Annexure VI
Part C: Non Adjusting items

Restated Ind AS Summary Statements does not contain any qualifications requiring adjustments, however, our reports for six months period ended September 30, 2020 and for the year ended March 31, 2020 includes an emphasis of matter on impact of COVID 19 on operations of the Company. Also, qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Ind AS Summary Statements are as follows:

As at and for the six months period ended September 30, 2020
(a) Emphasis of matter relating to the impact of Coronavirus disease 2019 (COVID-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

As at and for the six months period ended September 30, 2019
(a) Other matter: Comparative interim Ind AS financial statements for the period ended September 30, 2018 are not audited and have been furnished to us by the management of the Company.

As at and for the year ended March 31, 2020
(a) Emphasis of matter relating to the impact of Coronavirus disease 2019 (COVID-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

(b) Annexure to Auditor's report for the financial year ended March 31, 2020

Clause (i) (c)
According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except as stated in Annexure VII note 3.1 (ii) of the Restated Ind AS Summary Statements.

Clause (vii) (a)
Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, custom duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases of professional tax.

Clause (vii) (b)
According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, except for professional tax, as follows:

Statement of Arrears of Statutory Dues Outstanding for more than Six months:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any.
The Gujrat Professional Tax, 1976	Professional Tax	11,200	Various months in 2019-20	Various dates	June 26, 2020	None

Also refer Annexure VII Note 31 of Restated Ind AS Summary Statements regarding Provident Fund.

Clause (vii) (c)
According to the information and explanations given to us, there are no dues to provident fund, employees' state insurance, professional tax, service tax, excise duty, custom duty, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute except for income tax and excise duty related matters as below:

Nature of the Statute	Nature of the Dues	Amount of Demand # (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,152,610	FY 2009-10	The Income Tax Appellate Tribunal, Cochin Bench, Cochin
		194,390	FY 2012-13	The Commissioner of Income-Tax (Appeals), Cochin
The Central Excise Act, 1944	Excise duty, Service tax and Penalty	8,684,883 (net of Rs. 658,180 paid under protest)	Various years	The Commissioner of Central Excise & Service Tax (Appeals), Cochin
The Kerala Value Added Tax Act, 2003	Value Added Tax	23,200	FY 2013-14	The Deputy Commissioner (Appeals), SGST Department, Thrissur
		87,000	FY 2016-17	The Kerala Value Added Tax Appellate Tribunal, Ernakulam

excluding interest and penalty thereon.

As at and for the year ended March 31, 2019
(a) Annexure to Auditor's report for the financial year ended March 31, 2019

Clause (i) (c)
According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except as stated in Annexure VII note 3.1 (ii) of the Restated Ind AS Summary Statements.

Clause (vii) (a)
Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, custom duty, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases of professional tax.

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure VI
Part C: Non Adjusting items

As at and for the year ended March 31, 2019 (continue)

Clause (vii) (b)
According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, except for professional tax, as follows:

Statement of Arrears of Statutory Dues Outstanding for more than Six months:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any.
The Gujrat Professional Tax, 1976	Professional Tax	13,400	Various months in 2018-19	Various dates	June 17, 2019	None
The Gujrat Professional Tax, 1976	Professional Tax	46,400	Various months in 2018-19	Various dates	June 13, 2019	None

Clause (vii) (c)
According to the information and explanations given to us, there are no dues to provident fund, employees' state insurance, professional tax, sales tax, service tax, excise duty, custom duty, value added tax, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute except for income tax and excise duty related matters as below:

Nature of the Statute	Nature of the Dues	Amount of Demand # (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,152,610	FY 2009-10	The Income Tax Appellate Tribunal
		1,745,520	FY 2010-11 and 2012-13	The Commissioner of Income-Tax (Appeals), Cochin
The Central Excise Act, 1944	Excise duty, Service tax and Penalty	10,530,558	Various years	Commissioner of Central Excise (Appeals), Cochin

excluding interest and penalty thereon.

As at and for the year ended March 31, 2018
(a) Annexure to Auditor's report for the financial year ended March 31, 2018

Clause (i) (c)
According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except as stated in Annexure VII note 3.1 (ii) of the Restated Ind AS Summary Statements.

Clause (vii) (a)

Undisputed statutory dues including provident fund, employees' state insurance, professional tax, income-tax, sales tax, service tax, excise duty, custom duty, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

Clause (vii) (c)
According to the information and explanations given to us, there are no dues to provident fund, employees' state insurance, professional tax, sales tax, service tax, excise duty, custom duty, value added tax, goods and service tax, cess and other statutory dues which have not been deposited on account of any dispute except for income tax and certain indirect tax related matters as below:

Nature of the Statute	Nature of the Dues	Amount of Demand # (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,152,610	FY 2009-10	The Income Tax Appellate Tribunal
		1,745,520	FY 2010-11 and 2012-13	The Commissioner of Income-Tax (Appeals), Cochin
The Central Excise Act, 1944	Excise duty, Service tax and Penalty	1,954,063 (net of Rs. 16,155 paid under protest)	FY 2012-13 FY 2013-14	Commissioner of Central Excise (Appeals), Cochin

excluding interest and penalty thereon.

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

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 (refer note (v))
Deemed Cost											
At April 1, 2017 (Proforma)	52.68	221.55	134.28	11.62	2.39	4.57	36.42	4.65	5.80	473.96	23.10
Additions	-	27.45	188.91	4.12	-	-	1.59	0.86	0.73	223.66	24.63
Disposals/ transfers	-	(12.49)	(4.26)	(0.10)	(0.09)	-	(0.15)	(0.15)	-	(17.24)	(23.10)
At March 31, 2018 (Proforma)	52.68	236.51	318.93	15.64	2.30	4.57	37.86	5.36	6.53	680.38	24.63
Proforma Ind AS Adjustments (refer note 38)	-	(8.96)	(38.99)	(2.48)	(0.85)	(1.11)	(8.62)	(4.16)	(0.97)	(66.14)	-
As at April 1, 2018	52.68	227.55	279.94	13.16	1.45	3.46	29.24	1.20	5.56	614.24	24.63
Additions	0.27	119.24	243.80	1.81	6.70	-	20.24	1.36	-	393.42	43.97
Disposals/ transfers	-	(4.18)	(0.92)	(0.38)	-	-	(1.51)	-	(0.09)	(7.08)	(24.63)
At March 31, 2019	52.95	342.61	522.82	14.59	8.15	3.46	47.97	2.56	5.47	1,000.58	43.97
Additions	-	3.47	104.64	4.31	1.11	-	0.63	0.69	-	114.85	265.05
Disposals/ transfers	-	(46.21)	(1.07)	-	-	-	(1.73)	-	-	(49.01)	-
At September 30, 2019	52.95	299.87	626.39	18.90	9.26	3.46	46.87	3.25	5.47	1,066.42	309.02
At April 1, 2019	52.95	342.61	522.82	14.59	8.15	3.46	47.97	2.56	5.47	1,000.58	43.97
Additions	-	341.89	332.99	9.96	7.01	-	19.23	0.95	-	712.03	7.66
Disposals/ transfers	-	(46.21)	(1.07)	-	-	-	(1.73)	(0.01)	-	(49.02)	(40.74)
At March 31, 2020	52.95	638.29	854.74	24.55	15.16	3.46	65.47	3.50	5.47	1,663.59	10.89
Additions	11.33	2.28	62.44	0.99	0.08	-	1.17	0.32	-	78.61	51.92
Disposals/ transfers	-	-	-	-	-	-	-	-	-	-	(37.03)
At September 30, 2020	64.28	640.57	917.18	25.54	15.24	3.46	66.64	3.82	5.47	1,742.20	25.78
Depreciation											
At April 1, 2017 (Proforma)	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	9.43	39.67	2.48	0.88	1.11	8.63	4.20	0.97	67.37	-
Disposals/ transfers	-	(0.47)	(0.68)	-	(0.03)	-	(0.01)	(0.04)	-	(1.23)	-
At March 31, 2018 (Proforma)	-	8.96	38.99	2.48	0.85	1.11	8.62	4.16	0.97	66.14	-
Proforma Ind AS Adjustments (refer note 38)	-	(8.96)	(38.99)	(2.48)	(0.85)	(1.11)	(8.62)	(4.16)	(0.97)	(66.14)	-
As at April 1, 2018	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	44.88	79.63	2.28	0.43	1.83	6.52	0.75	1.05	137.37	-
Disposals/ transfers	-	(0.18)	(0.08)	(0.04)	-	-	(0.75)	-	(0.07)	(1.12)	-
At March 31, 2019	-	44.70	79.55	2.24	0.43	1.83	5.77	0.75	0.98	136.25	-
Charge for the period	-	14.60	53.81	1.20	0.46	0.92	3.39	0.42	0.48	75.28	-
Disposals/ transfers	-	(46.21)	(1.07)	-	-	-	(1.73)	-	-	(49.01)	-
At September 30, 2019	-	13.09	132.29	3.44	0.89	2.75	7.43	1.17	1.46	162.52	-
At April 1, 2019	-	44.70	79.55	2.24	0.43	1.83	5.77	0.75	0.98	136.25	-
Charge for the year	-	22.28	120.43	2.61	0.97	0.92	6.83	1.04	0.98	156.06	-
Disposals/ transfers	-	(46.21)	(1.07)	-	-	-	(1.73)	(0.01)	-	(49.02)	-
At March 31, 2020	-	20.77	198.91	4.85	1.40	2.75	10.87	1.78	1.96	243.29	-
Charge for the period	-	12.52	75.01	1.63	0.78	0.46	3.98	0.52	0.48	95.38	-
Disposals/ transfers	-	-	-	-	-	-	-	-	-	-	-
At September 30, 2020	-	33.29	273.92	6.48	2.18	3.21	14.85	2.30	2.44	338.67	-
Net block											
At March 31, 2018 (Proforma)	52.68	227.55	279.94	13.16	1.45	3.46	29.24	1.20	5.56	614.24	24.63
At March 31, 2019	52.95	297.91	443.27	12.35	7.72	1.63	42.20	1.81	4.49	864.33	43.97
At September 30, 2019	52.95	286.78	494.10	15.46	8.37	0.71	39.44	2.08	4.01	903.90	309.02
At March 31, 2020	52.95	617.52	655.83	19.70	13.76	0.71	54.60	1.72	3.51	1,420.30	10.89
At September 30, 2020	64.28	607.28	643.26	19.06	13.06	0.25	51.79	1.52	3.03	1,403.53	25.78

Notes

i. Plant and machinery includes tinting machines and gyro shakers 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	Deletion	Closing gross block	Opening accumulated depreciation	Addition	Deletion	Closing accumulated depreciation	Net block
At March 31, 2018 (Proforma)	-	149.00	-	149.00	-	16.35	-	16.35	132.65
At March 31, 2019	132.65	162.77	-	295.42	-	48.10	-	48.10	247.32
At September 30, 2019	295.42	74.57	-	369.99	48.10	37.11	-	85.21	284.78
At March 31, 2020	295.42	153.54	-	448.96	48.10	78.45	-	126.55	322.41
At September 30, 2020	448.96	43.61	-	492.57	126.55	48.52	-	175.07	317.50

ii. With respect to immovable properties aggregating Rs. 3.05 million (September 30, 2019: Rs. 3.05 million, March 31, 2020: Rs. 3.05 million, March 31, 2019: Rs. 28.73 million; March 31, 2018: 210.16 million) acquired under Scheme of Amalgamation, registration of title deeds in name of the Company is in progress.

iii. For details of borrowing cost capitalised during the period / year, refer note 24.

iv. For details on restriction on asset and rate of capitalisation used, refer note 13.1

v. For year ended March 31, 2018, March 31, 2019 and September 30, 2019, Capital work in progress (CWIP) consists of construction of buildings and plant and machinery at various manufacturing facilities. The CWIP as at March 31, 2020 and September 30, 2020 consists of expenditure towards plant and machinery at various manufacturing facilities.

(All amount in Indian rupees million, unless otherwise stated)

3.2 Right of use assets

Particulars	Leasehold land	Leased Building	Total
Deemed Cost			
At April 1, 2017 (Proforma)	24.97	75.47	100.44
Additions	-	18.84	18.84
At March 31, 2018 (Proforma)	24.97	94.31	119.28
Proforma Ind AS Adjustments (refer note 38)	(0.08)	(17.46)	(17.54)
As at April 1, 2018	24.89	76.85	101.74
Additions	198.11	43.94	242.05
At March 31, 2019	223.00	120.79	343.79
Additions	1.01	-	1.01
At September 30, 2019	224.01	120.79	344.80
As at April 1, 2019	223.00	120.79	343.79
Additions	2.46	3.32	5.78
At March 31, 2020	225.46	124.11	349.57
Additions	-	9.93	9.93
At September 30, 2020	225.46	134.04	359.50
Depreciation			
At April 1, 2017 (Proforma)	-	-	-
Charge for the year	0.08	22.01	22.09
At March 31, 2018 (Proforma)	0.08	22.01	22.09
Proforma Ind AS Adjustments (refer note 38)	(0.08)	(22.01)	(22.09)
As at April 1, 2018	-	-	-
Charge for the year	1.29	31.10	32.39
At March 31, 2019	1.29	31.10	32.39
Charge for the period	1.13	19.62	20.75
At September 30, 2019	2.42	50.72	53.14
As at April 1, 2019	1.29	31.10	32.39
Charge for the year	2.29	36.94	39.23
At March 31, 2020	3.58	68.04	71.62
Charge for the period	1.15	15.14	16.29
At September 30, 2020	4.73	83.18	87.91
Net block			
At March 31, 2018 (Proforma)	24.89	72.30	97.19
At March 31, 2019	221.71	89.69	311.40
At September 30, 2019	221.59	70.07	291.66
At March 31, 2020	221.88	56.07	277.95
At September 30, 2020	220.73	50.86	271.59

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

3.3 Intangible assets and goodwill

Particulars	Goodwill	Other intangibles - Computer software	Total intangible assets
Cost			
At April 1, 2017 (Proforma)	407.36	5.17	412.53
Additions	-	0.46	0.46
At March 31, 2018 (Proforma)	407.36	5.63	412.99
Proforma Ind AS Adjustments (refer note 38)	(101.84)	(0.78)	(102.62)
As at April 1, 2018	305.52	4.85	310.37
Additions	-	0.30	0.30
Disposals / transfers	-	(0.06)	(0.06)
At March 31, 2019	305.52	5.09	310.61
Additions	-	-	-
At September 30, 2019	305.52	5.09	310.61
As at April 1, 2019	305.52	5.09	310.61
Additions	-	0.21	0.21
At March 31, 2020	305.52	5.30	310.82
Additions	-	1.50	1.50
At September 30, 2020	305.52	6.80	312.32
Amortisation			
At April 1, 2017 (Proforma)	-	-	-
Charge for the year	-	0.78	0.78
At March 31, 2018 (Proforma)	-	0.78	0.78
Proforma Ind AS Adjustments (refer note 38)	-	(0.78)	(0.78)
As at April 1, 2018	-	-	-
Charge for the year	-	0.78	0.78
Disposals / transfers	-	(0.01)	(0.01)
At March 31, 2019	-	0.77	0.77
Charge for the period	-	0.39	0.39
At September 30, 2019	-	1.16	1.16
As at April 1, 2019	-	0.77	0.77
Charge for the period	-	0.81	0.81
At March 31, 2020	-	1.58	1.58
Charge for the period	-	0.48	0.48
Disposals / transfers	-	-	-
At September 30, 2020	-	2.06	2.06
Net block			
At March 31, 2018 (Proforma)	407.36	4.85	412.21
At March 31, 2019	305.52	4.32	309.84
At September 30, 2019	305.52	3.93	309.45
At March 31, 2020	305.52	3.72	309.24
At September 30, 2020	305.52	4.74	310.26

3.4 Impairment testing of goodwill

Goodwill arose as part of the business purchase and merger of Hi-Build Coating Private Limited (HBC) pursuant to the composite scheme of amalgamation approved by National Company Law Tribunal ("NCLT") vide its order dated March 02, 2017 (Appointed date: April 01, 2016). For the purpose of impairment testing of Goodwill, as per the business plan of purchase, the entire business of the Company is considered as single Cash Generating Unit (CGU), as post business combination the entire operations of the Company has been integrated for synergies, includes aligning of manufacturing facilities, logistic management, technology exchange, etc.

The Company performs impairment testing annually at the same time. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five year period. The projected cash flows have been updated to reflect the demand changes for products pursuant to Covid-19 pandemic. The pre-tax discount rate applied to cash flow projections for impairment testing during March 31, 2020: 10% (March 31, 2019: 10%; March 31, 2018: 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 of September 30, 2020 and September 30, 2019, there were no indicators of impairment noted.

Annexure VII
Notes to Restated Ind AS Summary Statements

4 Investments

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Current investments					
Investments at fair value through profit or loss (FVTPL)					
Investments in mutual funds (quoted funds):					
HDFC Short Term Plan - Growth	-	40.72	42.74	39.17	36.83
Aditya Birla Sun Life - Short Term Regular Fund - Growth	-	41.14	42.17	39.30	36.68
ICICI Prudential - Credit Risk Regular Fund - Growth	-	40.86	42.94	39.22	36.67
Franklin Templeton - India Income Opportunities Fund - Growth	-	40.87	40.25	40.09	37.10
Larsen & Toubro - Credit Risk Regular Fund - Growth	-	38.71	40.27	39.26	37.06
HDFC Corporate Bond Fund Direct Plan - Growth	67.15	-	-	-	-
ICICI Prudential Corporate Bond Fund Direct - Growth	100.31	-	-	-	-
IDFC Bond Fund Short Term Plan - Direct - Growth	67.03	-	-	-	-
L&T Short Term Bond Fund - Growth	71.44	-	-	-	-
Total current investments	305.93	202.30	208.37	197.04	184.34
Aggregate amount of quoted investments and market value thereof	305.93	202.30	208.37	197.04	184.34

Also refer note 37A for determination of fair values.

Above includes Rs. Nil million (September 30, 2019: Rs. Nil million, March 31, 2020: Nil million, March 31, 2019: Rs Nil million and March 31, 2018: Rs 60.00 million) pledged against overdraft and Rs. Nil (September 30, 2019: Rs. Nil million, March 31, 2020: Nil million, March 31, 2019: Rs Nil million and March 31, 2018: Rs 150.00 million) as secondary collateral against term loan from a Bank.

Details of quoted investments

	Face value	Units (in million)				
		As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Investments in mutual funds (quoted funds):						
HDFC Short Term Plan - Growth	10	-	2.57	2.57	2.57	2.57
Aditya Birla Sun Life - Short Term Regular Fund - Growth	10	-	1.27	1.27	1.27	1.27
ICICI Prudential - Credit Risk Regular Fund - Growth	10	-	1.97	1.97	1.97	1.97
Franklin Templeton - India Income Opportunities Fund - Growth*	10	1.65	1.80	1.80	1.80	1.80
Larsen & Toubro - Credit Risk Regular Fund - Growth	10	-	1.86	1.86	1.86	1.86
HDFC - Corporate Bond Fund Direct Plan - Growth	10	2.75	-	-	-	-
ICICI Prudential - Corporate Bond Fund Direct - Growth	10	4.40	-	-	-	-
IDFC Bond Fund Short Term Plan - Direct - Growth	10	1.46	-	-	-	-
L&T Short Term Bond Fund - Growth	10	3.50	-	-	-	-

*September 30, 2020 units represents segregated portfolio.

5 Loans

(Unsecured, considered good unless otherwise stated)

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Non-current					
At amortised cost					
Security deposits	57.96	46.11	54.81	40.71	6.88
Total non-current loans	57.96	46.11	54.81	40.71	6.88
Current					
At amortised cost					
Security deposits	5.56	2.27	3.16	3.25	2.55
Total current loans	5.56	2.27	3.16	3.25	2.55
Sub-classification of above					
Loans receivable considered good - Secured	-	-	-	-	-
Loans receivable considered good - Unsecured	63.52	48.38	57.97	43.96	9.43
Loans receivables which have significant increase in credit risk	-	-	-	-	-
Loans receivables - credit impaired	-	-	-	-	-
Less: Provision for impairment	-	-	-	-	-
	63.52	48.38	57.97	43.96	9.43

No loans and advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which director is a director or a member either severally or jointly with any other person.

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

6 Other financial assets

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Non-Current					
Bank deposits with remaining maturity of more than twelve months	23.78	22.24	22.98	-	20.85
Total other non-current financial assets	23.78	22.24	22.98	-	20.85
Current					
Insurance claims receivable	-	-	-	-	2.45
Balance with statutory / government authorities	1.06	1.04	1.02	1.11	0.43
Total other current financial assets	1.06	1.04	1.02	1.11	2.88

7 Inventories
(valued at lower of cost and net realisable value)

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Raw materials and components*	223.45	204.62	258.16	284.04	204.04
Finished goods#	427.05	480.86	483.04	380.06	333.70
Traded goods#	22.12	29.22	26.45	29.16	14.32
Total inventories	672.62	714.70	767.65	693.26	552.06

*includes goods in transit Rs. 32.00 million (September 30, 2019: Rs. 5.88 million, March 31, 2020: Rs. 15.66 million, March 31, 2019: Rs. 33.07 million and March 31, 2018: Rs Nil)

#includes sales in transit Rs. 22.94 million (September 30, 2019: Rs. 93.50 million, March 31, 2020: Rs. 16.81 million, March 31, 2019: Rs. 42.18 million and March 31, 2018: Rs 44.40 million)

Also refer note 13 for details of hypothecation of inventories.

For the six months ended September 30, 2020 Rs. (0.05 million) (September 30, 2019: Rs. 2.31 million, March 31, 2020: Rs. 1.09 million, March 31, 2019 Rs. Nil, March 31, 2018 Rs Nil) was recognised (net of reversals) as an expense for finished goods inventories carried at net realisable value. These were recognised as expense / (income) during the period / year and included in cost of raw materials and components consumed in the Statement of profit and loss.

8 Trade Receivables

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Trade receivables	855.70	803.55	1,044.74	1,038.47	967.86
Total trade receivables	855.70	803.55	1,044.74	1,038.47	967.86
Break-up for security details:					
Trade receivables					
Secured, considered good	-	-	-	-	-
Unsecured, considered good	853.67	804.16	1,038.89	1,039.42	969.96
Trade receivables which have significant increase in credit risk	17.03	14.32	17.85	14.05	7.90
Trade receivables - credit impaired	-	-	-	-	-
	870.70	818.48	1,056.74	1,053.47	977.86
Impairment allowance					
Unsecured, considered good	(6.73)	(8.00)	(5.37)	(8.47)	(6.70)
Trade receivables which have significant increase in credit risk	(8.27)	(6.93)	(6.63)	(6.53)	(3.30)
	(15.00)	(14.93)	(12.00)	(15.00)	(10.00)
	855.70	803.55	1,044.74	1,038.47	967.86

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non interest bearing and generally on terms of 30 to 90 days.
Also refer note 13 for details of hypothecation of trade receivables.

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
At the beginning of the year	12.00	15.00	15.00	10.00	5.69
Provision made during the period / year	4.35	0.29	2.84	8.10	9.64
Utilized / reversed during the period / year	(1.35)	(0.36)	(5.84)	(3.10)	(5.33)
At the end of the period / year	15.00	14.93	12.00	15.00	10.00

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

9 Cash and bank balances

		As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
9.1	Cash and cash equivalents					
	Balance with Banks					
	- on current accounts	48.74	41.55	55.89	117.30	45.30
	- on cash credit accounts (surplus)	72.20	-	-	-	-
	Cash on hand	0.54	1.16	0.95	1.12	0.93
	Total cash and cash equivalents	121.48	42.71	56.84	118.42	46.23
9.2	Bank balances other than cash and cash equivalents*					
	Other bank balances					
	Deposits with original maturity of more than three months but remaining maturity of less than twelve months	-	-	-	21.81	0.20
	Deposits with remaining maturity of more than twelve months	23.78	22.24	22.98	-	20.85
	Less: Amount disclosed under other financial assets (refer note 6)	(23.78)	(22.24)	(22.98)	-	(20.85)
	Total bank balances other than cash and cash equivalents	-	-	-	21.81	0.20
		121.48	42.71	56.84	140.23	46.43

* includes Rs. 20.00 million (September 30, 2019: Rs. 20.00 million, March 31, 2020: 20.00 million, March 31, 2019: Rs 20.00 million and March 31, 2018: Rs 20.00 million) pledged against short-term borrowings.

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 and investing activities is on account of cash flow changes only and there are no non-cash changes.

10 Other assets
(Unsecured, considered good unless otherwise stated)

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Non-current					
Capital advances	34.58	43.88	9.37	57.48	24.18
Prepaid expenses	-	-	-	-	0.84
Total other non-current assets	34.58	43.88	9.37	57.48	25.02
Current					
Advance to vendors	4.08	12.43	9.17	10.59	6.96
Prepaid expenses (including IPO related)	15.03	4.02	14.20	9.87	7.73
Prepaid employee benefits (refer note 28)	-	0.60	0.43	1.62	-
Employee advances	2.23	3.33	2.39	2.08	0.33
Balance with statutory / government authorities	-	-	4.34	4.84	0.04
Total other current assets	21.34	20.38	30.53	29.00	15.06

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.

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
CIN: U24114PN2000PLC014669
(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

11.1 Equity share capital

	Equity shares		Class A1 equity shares		Class A2 equity shares		Total equity shares	
	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million
Authorised shares of Rs. 10 each								
As at April 01, 2017 (Proforma)	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06
Increase during the year	-	-	-	-	-	-	-	-
As at March 31, 2018 (Proforma)	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06
Increase during the year	-	-	-	-	-	-	-	-
As at March 31, 2019	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06
Increase during the six months period	-	-	-	-	-	-	-	-
As at September 30, 2019	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06
As at April 1, 2019	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06
Increase during the year	-	-	-	-	-	-	-	-
As at March 31, 2020	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06
Increase during the six months period	-	-	-	-	-	-	-	-
As at September 30, 2020	43,000,000	430.00	3,250	0.03	3,250	0.03	43,006,500	430.06

	Equity shares		Class A1 equity shares		Class A2 equity shares		Total equity shares	
	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million
Issued, subscribed and fully paid up equity shares of Rs. 10 each:								
As at April 01, 2017 (Proforma)	28,587,000	285.87	3,250	0.03	3,250	0.03	28,593,500	285.93
Add : Issue of shares on exercise of stock options (refer note 32)	-	-	-	-	-	-	-	-
As at March 31, 2018 (Proforma)	28,587,000	285.87	3,250	0.03	3,250	0.03	28,593,500	285.93
Add : Issue of shares on exercise of stock options (refer note 32)	258,375	2.58	-	-	-	-	258,375	2.58
As at March 31, 2019	28,845,375	288.45	3,250	0.03	3,250	0.03	28,851,875	288.51
Add : Issue of shares on exercise of stock options (refer note 32)	170,300	1.70	-	-	-	-	170,300	1.70
As at September 30, 2019	29,015,675	290.15	3,250	0.03	3,250	0.03	29,022,175	290.21
As at April 1, 2019	28,845,375	288.45	3,250	0.03	3,250	0.03	28,851,875	288.51
Add : Issue of shares on exercise of stock options (refer note 32)	170,300	1.70	-	-	-	-	170,300	1.70
As at March 31, 2020	29,015,675	290.15	3,250	0.03	3,250	0.03	29,022,175	290.21
Add : Issue of shares on exercise of stock options (refer note 32)	-	-	-	-	-	-	-	-
As at September 30, 2020	29,015,675	290.15	3,250	0.03	3,250	0.03	29,022,175	290.21

For the purpose of below notes:
"Class A Equity Shares" shall mean collectively, the Class A1 Equity Shares and Class A2 Equity Shares;
"CCCPS" shall mean collectively, Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS and Series C CCCPS

Terms/ rights attached to equity shares

The Company has only three classes of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Class A Equity Shares shall carry such number of votes as may be necessary to permit each holder of the CCCPS to vote, on all matters submitted to the vote of the shareholders of the Company, in such manner and such proportion as each such holder of the CCCPS would have been entitled to, had each such holder of the CCCPS elected to convert its CCCPS into equity shares at the applicable conversion price*. At all other times, and in all other events (including the event of a holder of Class A Equity Shares not holding any CCCPS), the Class A Equity Shares held by such Shareholder shall carry 1 (one) vote each. In the event of liquidation of the Company, the holders of all classes 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.

Details of shareholding more than 5% shares in the Company

Name of the shareholder	As at September 30, 2020		As at September 30, 2019		As at March 31, 2020		As at March 31, 2019		As at March 31, 2018 (Proforma)	
	Nos.	% holding	Nos.	% holding	Nos.	% holding	Nos.	% holding	Nos.	% holding
Equity shares of Rs. 10 each fully paid										
Hemant Jalan	10,237,500	35.28%	10,237,500	35.28%	10,237,500	35.28%	10,237,500	35.49%	10,237,500	35.81%
Anita Jalan	6,987,500	24.08%	6,987,500	24.08%	6,987,500	24.08%	6,987,500	24.22%	6,987,500	24.44%
Kamalaprasad Jalan	1,657,500	5.71%	1,657,500	5.71%	1,657,500	5.71%	1,657,500	5.75%	1,657,500	5.80%
Taradevi Jalan	1,891,045	6.52%	1,891,045	6.52%	1,891,045	6.52%	1,891,045	6.56%	1,891,045	6.62%
Parag Jalan	1,625,000	5.60%	1,625,000	5.60%	1,625,000	5.60%	1,625,000	5.63%	1,625,000	5.68%
Halogen Chemicals Private Limited - India	4,958,070	17.09%	4,958,070	17.09%	4,958,070	17.09%	4,958,070	17.19%	4,958,070	17.34%
Class A1 Equity shares of Rs. 10 each fully paid										
Sequoia Capital India Investments IV - Mauritius	3,250	100.00%	3,250	100.00%	3,250	100.00%	3,250	100.00%	3,250	100.00%
Class A2 Equity shares of Rs. 10 each fully paid										
Sequoia Capital India Investments IV - Mauritius	3,250	100.00%	3,250	100.00%	3,250	100.00%	3,250	100.00%	3,250	100.00%

11.1 Equity share capital (continue)

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	Number of shares				
	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Bonus shares issued in FY 2016-17 by capitalisation of securities premium					
Equity shares	28,147,200	28,147,200	28,147,200	28,147,200	28,147,200
Class A1 equity shares	3,200	3,200	3,200	3,200	3,200
Class A2 equity shares	3,200	3,200	3,200	3,200	3,200

11.2 Instruments in the nature of equity

	0.001% Compulsory convertible cumulative preference shares (CCCPS)				Redeemable preference shares	
	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million
Authorised shares:	Rs. 100 each		Rs. 10 each		Rs. 10 each	
As at April 01, 2017 (Proforma)	247,355	24.74	15,830,950	158.31	2,000,000	20.00
Increase during the year	-	-	-	-	-	-
As at March 31, 2018 (Proforma)	247,355	24.74	15,830,950	158.31	2,000,000	20.00
Increase during the year	-	-	-	-	-	-
As at March 31, 2019	247,355	24.74	15,830,950	158.31	2,000,000	20.00
Increase during the six months period	-	-	-	-	-	-
As at September 30, 2019	247,355	24.74	15,830,950	158.31	2,000,000	20.00
As at April 1, 2019	247,355	24.74	15,830,950	158.31	2,000,000	20.00
Increase during the year	-	-	-	-	-	-
As at March 31, 2020	247,355	24.74	15,830,950	158.31	2,000,000	20.00
Increase during the six months period	-	-	-	-	-	-
As at September 30, 2020	247,355	24.74	15,830,950	158.31	2,000,000	20.00

Issued, subscribed and fully paid up 0.001% CCPS:

	Series A1 CCCPS		Series A2 CCCPS		Series B CCCPS		Series C CCCPS		Total CCCPS	
	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million	No. of Shares	Amount in million
	Rs. 100 each		Rs. 100 each		Rs. 100 each		Rs. 10 each			
As at April 01, 2017 (Proforma)	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04
Increase during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018 (Proforma)	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04
Increase during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04
Increase during the six months period	-	-	-	-	-	-	-	-	-	-
As at September 30, 2019	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04
As at April 1, 2019	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04
Increase during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04
Increase during the six months period	-	-	-	-	-	-	-	-	-	-
As at September 30, 2020	69,904	6.99	46,586	4.65	130,865	13.09	15,830,720	158.31	16,078,075	183.04

"CCCPS" shall mean collectively, Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS and Series C CCCPS

Terms of conversion/ redemption of CCCPS

Each holder of CCCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCCPS.

Each holder of CCCPS can opt to convert its preference shares into equity shares at any time at the option of the holder of the CCCPS subject to compliance with applicable laws, at the conversion price*, upon the earlier of (i) one day prior to the expiry of 20 years from the date of allotment or (ii) in connection with an IPO (or any subsequent IPO), prior to the filing of prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable laws.

If the holder exercises its conversion option, each CCCPS will be converted into that number obtained by dividing the total amount actually paid by the CCCPS holders by the conversion price at the time in effect for such CCCPS. No fractional shares shall be issued upon conversion of the CCCPS and the number of equity shares to be issued shall be rounded to the nearest whole share.

Any proceeds remaining after full payment of the preference amount and the promoter’s entitlement shall be distributed pari passu among the holders of the Series A CCCPS, Series B CCCPS, Series C CCCPS and holders of the Equity Shares, on a pro rata, as-if-converted basis, in the manner set out under the amended and restated shareholders agreement dated February 8, 2016 as amended from time to time.

* The CCCPS shall be converted into equity shares at the conversion price based on an initial conversion price as adjusted from time to time for anti dilution rights of CCCPS holders, in the manner set out under the amended and restated shareholders agreement dated February 8, 2016 as amended from time to time.

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. The Series A CCCPS are issued at a preferential dividend rate of 0.001% per annum. The preferential dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same fiscal year, but except Series B CCCPS, on which dividend shall be distributed on pari passu basis with the holders of Series A CCCPS. The Series B CCCPS are issued at a preferential dividend rate of 0.001% per annum. The preferential dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same fiscal year, but except Series A CCCPS, on which dividend shall be distributed on pari passu basis with the holders of Series B CCCPS. The Series C was a bonus issue and therefore holds the same rights in pari passu to Series A CCCPS and Series B CCCPS.

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

11.2 Instruments in the nature of equity (continue)

Details of shareholding more than 5% shares in the Company

Name of the shareholder	As at September 30, 2020		As at September 30, 2019		As at March 31, 2020		As at March 31, 2019		As at March 31, 2018 (Proforma)	
	Nos.	%	Nos.	%	Nos.	% holding	Nos.	% holding	Nos.	% holding
Series A1 CCCPS of Rs. 100 each fully paid										
Sequoia Capital India Investments IV -	69,904	100.00%	69,904	100.00%	69,904	100.00%	69,904	100.00%	69,904	100.00%
Series A2 CCCPS of Rs. 100 each fully paid										
Sequoia Capital India Investments IV -	46,586	100.00%	46,586	100.00%	46,586	100.00%	46,586	100.00%	46,586	100.00%
Series B CCCPS of Rs. 100 each fully paid										
SCI Investments V - Mauritius	130,865	100.00%	130,865	100.00%	130,865	100.00%	130,865	100.00%	130,865	100.00%
Series C CCCPS of Rs. 10 each fully paid										
Sequoia Capital India Investments IV -	7,455,360	47.09%	7,455,360	47.09%	7,455,360	47.09%	7,455,360	47.09%	7,455,360	47.09%
SCI Investments V - Mauritius	8,375,360	52.91%	8,375,360	52.91%	8,375,360	52.91%	8,375,360	52.91%	8,375,360	52.91%

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	Number of shares				
	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Bonus shares issued in FY 2016-17 by capitalisation of securities premium Preference shares ("CCCPS")	15,830,720	15,830,720	15,830,720	15,830,720	15,830,720

12 Other Equity

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Reserves and surplus					
Securities premium account					
Balance as per last financial statements	977.93	955.73	955.73	935.41	935.41
Add : premium on issue of shares under ESOS 2014 (refer note 32)	-	15.98	15.98	14.64	-
Add: Transferred from share based payment reserve	-	6.22	6.22	5.68	-
Closing balance	977.93	977.93	977.93	955.73	935.41
General reserve	4.38	4.38	4.38	4.38	4.38
Employee stock option reserve					
Balance as per last financial statements	15.25	20.38	20.38	16.53	9.91
Add: Compensation for options granted during the period / year (refer note 23 and 32)	1.26	0.44	1.09	9.53	6.62
Less: Transferred to securities premium	-	(6.22)	(6.22)	(5.68)	-
Closing balance	16.51	14.60	15.25	20.38	16.53
Retained earnings					
Opening balance	499.72	22.59	22.59	(247.72)	(282.27)
Add: Restated Profit for the period / year (net of taxes)	272.05	59.94	478.15	268.70	128.62
Dividend on preference shares *	-	-	0.00	0.00	0.00
Tax on preference dividend *	-	-	0.00	0.00	0.00
Items of Restated other comprehensive income recognised directly in retained earnings:					
Re-measurement (loss) / gain on defined benefit plans, net of tax Rs. (0.04) million (September 30, 2019: Rs. 0.01 million, March 31, 2020: Rs. (0.34) million, March 31, 2019: Rs. 0.86 million and March 31, 2018: Rs. Nil)	(0.11)	0.02	(1.02)	1.61	2.97
Closing balance before restatement adjustments	771.66	82.55	499.72	22.59	(150.68)
Proforma Ind AS Adjustments (refer note 38)					
- on account of reversal of goodwill amortisation and other adjustments	-	-	-	-	(97.04)
Closing balance after restatement adjustments	771.66	82.55	499.72	22.59	(247.72)
Total reserves and surplus	1,770.48	1,079.46	1,497.28	1,003.08	708.60
Proforma Ind AS Adjustments (refer note 38)					
- on account of reversal of goodwill amortisation and other adjustments	-	-	-	-	97.04
Total other equity	1,770.48	1,079.46	1,497.28	1,003.08	805.64

* 0.00 denotes figures are below the rounding off norms adopted by the Company

Securities premium account - Represents premium received on issue of equity shares (including those under Employee stock option plan) and issue of CCCPS. The account is netted off for utilisation of bonus 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.

(All amount in Indian rupees million, unless otherwise stated)

13 Borrowings

13.1 Non-current Borrowings

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
At amortised cost					
Term loans (secured)					
Indian rupee loan from bank (refer note a below)	300.54	398.45	354.16	352.10	128.41
Other loans (secured)					
Loan against movable assets (refer note b below)	0.80	1.68	1.25	2.10	3.50
	301.34	400.13	355.41	354.20	131.91
Less: Amount disclosed under the head other current financial liabilities (refer note 15)					
- Current maturities of long-term debts	(108.08)	(106.28)	(108.22)	(85.09)	(42.78)
Total non-current borrowings	193.26	293.85	247.19	269.11	89.13

a. Term loan
India Rupee loan from bank comprises of loans having interest in the range of 9.50% p.a. to 10.95% p.a.

i. Term loan from a bank for Rs. 100 million and Rs. 62 million are secured by hypothecation of land and building at SIPCOT Industrial Estate, Tamil Nadu and movable plant and machinery. The loan of Rs. 100 million is repayable in 60 equal monthly instalments till March 2020. The loan of Rs. 62 million is repayable in 65 equal monthly instalments beginning from November 2017. The charge on this asset was released on May 27, 2020.

ii. Term loan from a bank for Rs 140.98 million is secured by exclusive charge of land, factory building and entire plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery, exclusive charge on land, building and entire plant and machinery located at F-910/911 RICO Industrial Area, Phase IV, Boranada Jodhpur-342001 and pari-passu charge on inventory and trade receivables. The loan is repayable in 60 equal monthly instalments beginning from August 2018.

iii. Term loan from a bank for Rs 330.00 million is secured by exclusive charge on land, factory building and entire plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery, exclusive charge on land, building and entire plant and machinery at F-910 & 911 RICO Industrial Area, Phase IV, Boranada Jodhpur-342001, exclusive charge on land located at plot no A-207-208 (Old SEZ) at Jodhpur Boranada Industrial Area, Jodhpur, Rajasthan and pari-passu charge on inventory and trade receivables. The loan is repayable in 60 equal monthly instalments commencing from April 2019.

b. The loans against movable assets hypothecated for vehicles carries an interest rate of 9.14% p.a. Loans are repayable in 60 equal monthly instalments till June 2021.

c. There is no borrowing cost capitalised during the six months period ended September 30, 2020. The rates used for capitalisation of borrowing cost for the previous period/ years range from (September 30, 2019: 9.55% to 10.10% p.a., March 31, 2020: 9.55% to 10.10% p.a., March 31, 2019: 9.50% to 10.15% p.a. and March 31, 2018: Rs 9.50% to 9.85% p.a.)

d. Refer note 15 for interest accrured and due on the above borrowings.

13.2 Current Borrowings

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
At amortised cost					
Secured					
Cash credit from bank	-	232.40	25.29	247.06	219.96
Working capital demand loan	-	-	-	-	5.55
Packing credit in foreign currency	-	-	-	-	0.87
Unsecured					
Working capital loan	-	-	120.00	-	-
	-	232.40	145.29	247.06	226.38

a) (i) Cash credit facilities from a bank with sanction limit of INR 200 millions carries interest in the range of 9.85% p.a. to 11.70 % p.a., linked to base rate. The loan is secured by creating first charge by way of hypothecation of inventory and trade receivables, both present and future of the Company and is payable on demand. The loan is collaterally secured by exclusive charge of land, factory building and entire plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery, exclusive charge on land, building and entire plant and machinery located at F-910/911, G-904/905/906 RIICO Industrial Area, Phase IV, Boranada Jodhpur-342001, exclusive charge on land located at plot no A-207-208 (Old SEZ) at Jodhpur Boranada Industrial Area, Jodhpur, Rajasthan.

(ii) Cash credit facilities from a bank with sanction limit of Rs. 120 millions carries interest in the range of 9.85% p.a. to 11.00 % p.a., linked to base rate. The loan is secured by creating first charge by way of hypothecation of inventory and trade receivables and is payable within 12 months. The loan is collaterally secured by exclusive charge of land, factory building and plant and machinery at SIPCOT Industrial Estate, Pudukkottai, Tamil Nadu. Charge for cash credit has been satisfied during the period ended on September 30, 2020.

b) Working capital demand loan from bank for the year ended March 31, 2018 carries interest rate of 9.85% p.a. The loan is secured by hypothecation of inventory and trade receivables, both present and future. The loan is collaterally secured by exclusive charge of land, factory building and plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery and additional charge on land, building and plant and machinery at SIPCOT Industrial Estate, Pudukkottai, Tamil Nadu. The loan is repayable within 12 months. Charge for working capital demand loan has been satisfied during the financial year 2018-19.

c) Packing credit loan carries interest at 6 M Libor + 300 bps. The loan is primarily secured by way of hypothecation of inventory meant for export. The loan is collaterally secured by exclusive charge of land, factory building and plant and machinery at SY No 1126/1D/3 & 130/1D/3 of Thrikkakkara North Village in Major Industrial Estate Kalamassery and additional charge on land, building and plant and machinery at SIPCOT Industrial Estate, Pudukkottai, Tamil Nadu. The loan is repayable within 12 months. Charge for packing credit loan has been satisfied during the financial year 2018-19.

d) Unsecured working capital loan facilities from bank carries interest rate of MCLR+160 basis point and is payable within 90 days.

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

14 Trade payables

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Trade payables to:					
- micro and small enterprises (refer note 33)	357.17	284.12	258.96	128.33	87.91
- others than micro and small enterprises	833.88	945.37	1,126.94	1,234.09	997.41
Total trade payables	1,191.05	1,229.49	1,385.90	1,362.42	1,085.32

Terms and conditions of the above financial liabilities:
a. Trade payables are non-interest bearing and are normally settled on 60-90 days terms.
b. For explanations on the Company's financial risk management processes, refer to note 37B.

15 Other financial liabilities

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Current					
Current maturities of long term debts (refer note 13.1)	108.08	106.28	108.22	85.09	42.78
Interest accrued and due on borrowings	1.67	3.30	2.91	1.73	-
Payables for PPE and intangible assets	64.55	75.22	78.91	59.41	53.27
Security deposits	3.88	3.98	3.88	4.40	4.39
Proposed CCCPS dividend *	0.01	0.01	0.01	0.01	0.00
Provision for tax on preference dividend *	0.00	0.00	0.00	0.00	0.00
Total other current financial liabilities	178.19	188.79	193.93	150.64	100.44

* 0.00 denotes figures are below the rounding off norms adopted by the Company

16 Other liabilities

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Non current					
Deferred revenue (refer note 3.1 (i), 19 and 34)	35.14	35.01	38.46	31.67	17.89
Total other non-current liabilities	35.14	35.01	38.46	31.67	17.89
Current					
Advance from customers (contract liabilities)	19.92	15.64	18.68	11.89	10.55
Deferred revenue (refer note 3.1 (i), 19 and 34)	17.23	13.23	14.97	10.01	4.49
Statutory dues payables*	47.88	48.74	22.49	56.38	86.56
Total other current liabilities	85.03	77.61	56.14	78.28	101.60

*Statutory dues payable includes payable on account of provident fund, tax deducted at source, goods and service tax etc.

17 Provisions

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Non-Current					
Provision for long term sales incentive	27.92	5.87	13.00	-	-
	27.92	5.87	13.00	-	-
Current					
Provision for gratuity (refer note 28)	0.37	-	-	-	1.47
Provision for leave encashment	12.59	9.31	10.61	-	-
	12.96	9.31	10.61	-	1.47
Total provisions	40.88	15.18	23.61	-	1.47

In pursuance of Ind AS 37 - ' Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the following manner:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
At the beginning of the period/ year	13.00	-	-	-	-
Provision made during the period / year	14.31	5.87	13.00	-	-
Accretion of interest	0.61				
At the end of the period/ year	27.92	5.87	13.00	-	-

Long term sales incentive provision represents obligation of the Company to reward the customer for completion of prescribed sales target for each of the four years beginning from financial year 2019-20.

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

18 Income taxes

(A) The major components of income tax expense are current tax and deferred tax :

Restated Statement of profit and loss

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Current income tax charge:					
Current income tax	92.78	15.91	147.13	48.24	(3.08)
Deferred tax					
Relating to origination and reversal of temporary differences	(12.58)	42.24	48.99	20.16	-
Income tax expense reported in the Restated Statement of Profit and Loss	80.20	58.15	196.12	68.40	(3.08)

(B) Income tax recognised in other comprehensive income

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Remeasurements of defined benefit liability (asset)	0.04	(0.01)	0.34	(0.86)	-
	0.04	(0.01)	0.34	(0.86)	-

(C) Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for respective period/ year

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Restated profit before tax	352.25	118.09	674.27	337.10	125.54
Tax as per India's statutory income tax rate *	25.17%	25.17%	25.17%	34.94%	30.90%
Expected income tax expense as per applicable taxes	88.66	29.72	169.71	117.78	38.79
Tax benefit on brought forward tax losses not recognised in earlier years #	-	(4.28)	(4.28)	(51.43)	(41.87)
Change in Deferred Tax liability due to rate change *	-	(19.37)	(19.37)	-	-
Tax benefit on long term capital gain on sale of mutual funds	(7.65)	-	-	-	-
MAT Entitlement of earlier period / year written-off *	-	48.25	48.25	-	-
Other non-deductibles expenses	0.83	2.44	1.30	1.63	-
Others	(1.64)	1.39	0.51	0.42	-
Effective income tax	80.20	58.15	196.12	68.40	(3.08)

(D) Deferred tax assets/ (liabilities)

	Balance sheet				
	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Deferred tax relates to the following					
Accelerated depreciation / amortisation for tax purposes	(72.19)	(63.85)	(70.07)	(82.82)	(45.00)
Change in fair value of investments	(1.23)	(13.16)	(14.69)	(16.44)	-
Disallowance towards doubtful debts and advances	3.77	3.76	3.02	5.24	3.09
Disallowance towards provisions for bonus, business promotion expenses, leave encashment, etc	8.51	7.95	6.97	3.44	5.39
ICDS related allowances / disallowances	2.21	0.58	2.94	17.33	(7.13)
Deferred tax on leased assets and liabilities (net)	1.84	1.46	1.65	1.50	-
Deferred tax on tax losses carried forward#	-	-	-	1.62	43.65
On items recognised in OCI	0.04	(0.01)	0.51	0.86	-
Minimum alternate tax credit entitlement	-	-	-	48.25	-
Net deferred tax (liabilities)	(57.05)	(63.27)	(69.67)	(21.02)	-

Reconciliation of deferred tax liabilities (net)

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Opening balance	(69.67)	(21.02)	(21.02)	-	-
Tax expense during the period recognised in profit or loss	12.58	(42.24)	(48.99)	(20.16)	-
Tax (income) / expense during the period recognised in OCI	0.04	(0.01)	0.34	(0.86)	-
Closing balance	(57.05)	(63.27)	(69.67)	(21.02)	-

(E) Deferred tax charge

	Restated Statement of profit and loss				
	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Deferred tax charges relates to the movement in the following items					
Accelerated depreciation / amortisation for tax purposes	(2.12)	18.97	12.75	(37.82)	(0.99)
Change in fair value of financial instruments	13.46	3.28	1.75	(16.44)	-
Disallowance towards doubtful debts and advances	0.75	(1.48)	(2.22)	2.15	1.33
Disallowance towards provisions for bonus, business promotion expenses, leave encashment, etc	1.54	4.51	3.53	(1.95)	(6.16)
ICDS related allowances / disallowances	(0.73)	(16.75)	(14.39)	24.46	(7.13)
Deferred tax on leased assets and liabilities (net)	0.19	(0.04)	0.15	1.50	-
Deferred tax on tax losses carried forward	-	(1.62)	(1.62)	(42.03)	12.95
On items recognised in OCI	(0.47)	(0.87)	(0.35)	0.86	-
Minimum alternate tax	-	(48.25)	(48.25)	48.25	-
Net deferred tax income/ (expense)	12.62	(42.25)	(48.65)	(21.02)	-
Deferred tax charge as per Restated Statement of profit and loss	12.58	(42.24)	(48.99)	(20.16)	-
Deferred tax charge as per other comprehensive income	0.04	(0.01)	0.34	(0.86)	-
	12.62	(42.25)	(48.65)	(21.02)	-

* The Company has adopted the new tax regime under section 115AA of the Income Tax Act, 1961. Accordingly, (a) the current and deferred tax expense for the year ended March 31, 2020, has been determined at the rate of 25.17% and (b) the deferred tax assets as at April 1, 2019, have been written down considering the enacted rate of 25.17%.

The deferred tax asset of Rs. 53.08 million for March 31, 2018 (Proforma) has not been recognised on losses of Rs. 171.78 million, considering the probability of availability of future taxable profits. The losses have been subsequently set off against profits. As at September 30, 2020, the balance is Nil.

The Company offsets tax assets and liabilities 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.

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

19 Revenue from operations

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Revenue from contracts with customers (At a point in time)					
Sale of goods	2,578.64	2,712.59	6,218.17	5,327.67	3,994.30
Total revenue from contracts with customers	2,578.64	2,712.59	6,218.17	5,327.67	3,994.30
Other operating revenue					
Scrap sales	6.66	7.72	16.21	20.32	17.68
Amortisation of deferred revenue (also refer note 3, 16 and 34)	8.90	6.05	13.54	8.30	2.78
Total other operating revenue	15.56	13.77	29.75	28.62	20.46
Total revenue from operations	2,594.20	2,726.36	6,247.92	5,356.29	4,014.76

Revenue from operations for periods up to June 30, 2017 includes excise duty of Rs. 64.04 million. From July 01, 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change, Revenue from operations year ended March 31, 2018 is not comparable to that extent.

Excise duty on (decrease) / increase in inventory amounting to Rs. (16.35) million for year ended March 31, 2018 has been considered as expenses in note 26 of Restated Ind AS Summary Statements. The amount of Rs. (16.35) million represents reversal of excise duty calculated on the opening stock of inventory.

Disclosure pursuant to Ind AS 115: Revenue from contract with customers

A Disaggregated revenue

(i) Revenue by geographical market

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Within India	2,587.39	2,714.20	6,193.22	5,319.45	3,983.01
Outside India	6.81	12.16	54.70	36.84	31.75
	2,594.20	2,726.36	6,247.92	5,356.29	4,014.76

B Contract balances

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Advance from customers (note 16)	19.92	15.64	18.68	11.89	10.55
Trade receivables (note 8)	855.70	803.55	1,044.74	1,038.47	967.86

C Revenue recognised in the reporting period that was included in the contract liabilities balance at the beginning of the period/ year:

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Advance from customers (note 16)	18.68	11.89	11.89	10.55	6.24

D Reconciling the amount of revenue recognised in the Restated Statement of Profit and Loss with the contracted price

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Gross revenue (Invoicing as per contracted price)	2,970.62	3,127.05	6,889.09	5,945.78	4,431.22
Less: Discounts and rebates	(382.00)	(324.46)	(711.69)	(613.03)	(456.75)
Add / (Less): Changes in revenue due to performance obligations (net)	(9.98)	(90.00)	40.77	(5.08)	19.83
Net revenue from contract with customers	2,578.64	2,712.59	6,218.17	5,327.67	3,994.30

20 Other income

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Interest income on bank deposits	0.91	0.72	1.71	1.89	1.76
Foreign exchange differences (net)	0.49	0.01	0.29	1.13	1.03
Miscellaneous income	1.95	0.98	2.30	0.61	1.48
Fair value gain on financial instruments at fair value through profit or loss	4.88	5.26	11.33	12.70	12.02
Profit on sale of PPE (net)	-	0.64	0.81	-	-
Total other income	8.23	7.61	16.44	16.33	16.29

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

21 Cost of raw materials and components consumed

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Inventory at the beginning of the period / year	258.16	284.04	284.04	204.04	142.65
Add: purchases	1,203.47	1,430.32	3,185.44	3,045.15	2,277.59
	1,461.63	1,714.36	3,469.48	3,249.19	2,420.24
Less: inventory at the end of the period / year	223.45	204.62	258.16	284.04	204.04
Total cost of raw materials and components consumed	1,238.18	1,509.74	3,211.32	2,965.15	2,216.20

22 Decrease/ (increase) in inventories of finished goods and traded goods

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Inventory at the end of the period / year					
Finished goods	427.05	480.86	483.04	380.06	333.70
Traded goods	22.12	29.22	26.45	29.16	14.32
	449.17	510.08	509.49	409.22	348.02
Inventory at the beginning of the period / year					
Finished goods	483.04	380.06	380.06	333.70	378.29
Traded goods	26.45	29.16	29.16	14.32	10.63
	509.49	409.22	409.22	348.02	388.92
Net decrease/ (increase) in inventories of finished goods and traded goods	60.32	(100.86)	(100.27)	(61.20)	40.90

23 Employee benefits expense

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Salaries, wages and bonus	208.65	200.58	401.44	338.80	280.63
Employee stock option expenses (refer note 12)	1.26	0.44	1.09	9.53	6.62
Contribution to provident fund and other funds	5.93	4.12	8.34	7.53	7.17
Gratuity expenses (refer note 28)	1.32	1.05	2.10	2.18	2.30
Staff welfare expenses	3.27	3.42	6.94	5.79	5.81
Total employee benefits expense	220.43	209.61	419.91	363.83	302.53

24 Finance Costs

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Interest expenses	21.16	28.90	57.52	44.94	38.07
Unwinding of financial liabilities	3.56	3.93	7.86	7.59	7.30
Less: borrowing cost capitalised (refer note 3)	-	(5.18)	(9.43)	(5.97)	-
Total finance costs	24.72	27.65	55.95	46.56	45.37

25 Depreciation and amortisation expense

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Depreciation of property, plant and equipment (refer note 3.1)	95.38	75.28	156.06	137.37	67.37
Depreciation of Right-of-use assets (refer note 3.2)	16.29	20.75	39.23	32.39	22.09
Amortisation of intangible assets (refer note 3.3)	0.48	0.39	0.81	0.78	0.78
Total depreciation and amortisation expense	112.15	96.42	196.10	170.54	90.24

(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

26 Other expenses

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Consumption of stores and spares	5.99	5.94	12.87	11.56	12.93
Contract labour charges	20.33	24.08	46.93	44.20	34.74
Power and fuel	14.30	12.62	26.92	27.75	18.63
Freight and forwarding charges	277.19	303.28	657.70	554.95	442.74
(Decrease)/ increase in excise duty on inventories of finished goods	-	-	-	-	(16.35)
Lease rent (refer note 36)	0.34	0.25	0.91	4.18	8.89
Rates and taxes	1.96	2.16	4.31	8.99	4.49
Repairs and maintenance					
- Plant and machinery	6.95	6.98	13.81	13.00	8.00
- Others	4.02	4.35	8.79	4.59	4.35
Advertisement and sales promotion	157.65	399.42	790.54	676.61	450.50
Travelling and conveyance	21.41	38.48	74.59	64.44	57.24
Communication expense	1.74	1.76	3.60	3.89	4.82
Legal and professional charges	5.23	7.36	10.76	9.07	9.87
Payment to auditors					
- Audit fees *	-	-	2.70	2.53	2.30
- Out of pocket expenses	-	-	0.13	0.11	0.09
Provision for impairment of financial assets	4.35	0.29	2.84	8.10	9.64
Loss on sale of PPE (net)	-	-	-	1.09	-
CSR expenditure	1.74	1.26	2.82	-	-
Miscellaneous expenses	17.61	18.90	38.30	31.24	24.49
Total other expenses	540.81	827.13	1,698.52	1,466.30	1,077.37

*net of Rs 5.5 million for period ended September 30, 2020 accrued towards IPO work (refer note 10).

A. Details of CSR expenditure

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
a) Gross amount required to be spent by the Company during the period / year	3.17	0.38	0.75	*	*

Details of amount spend during the period/ year:

1. Amount spent during the six months period ended on September 30, 2020:	In cash	Yet to be paid	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1.74	-	1.74

2. Amount spent during the six months period ended on September 30, 2019:	In cash	Yet to be paid	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1.26	-	1.26

3. Amount spent during the year ended on March 31, 2020:	In cash	Yet to be paid	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.82	-	2.82

* The provisions of section 135 of Companies Act, 2013 were not applicable to the Company for the financial year ended March 31, 2019 and March 31, 2018. Thus, the gross amount required to be spent has not been disclosed by the Company.

27 Earnings per share

The following table reflects the income and earnings per share data used in the basic and diluted EPS computation:

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Restated profit after tax attributable to the equity holders (INR in million) (a)	272.05	59.94	478.15	268.70	128.62
Weighted average number of shares considered for calculating basic EPS (b)	45,100,250	45,073,263	45,087,186	44,899,511	44,671,575
Weighted average number of shares considered for calculating diluted EPS (c)	45,604,075	45,556,338	45,570,261	45,525,136	45,555,575
Nominal value of shares (Rs.)	10	10	10	10	10
Basic earnings per share (Rs.) (d) = (a) / (b)	6.03*	1.33*	10.61	5.98	2.88
Diluted earnings per share (Rs.) (e) = (a) / (c)	5.97*	1.32*	10.49	5.90	2.82
*not annualised					

Computation of weighted average number of shares

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Calculation of weighted number of shares of Rs. 10 each					
Number of shares outstanding at the beginning of the period / year	29,022,175	28,851,875	28,851,875	28,593,500	28,593,500
Number of shares outstanding for 322 days	-	-	-	258,375	-
Number of shares outstanding for 337 days	-	-	170,300	-	-
Number of shares outstanding for 154 days	-	170,300	-	-	-
Weighted average number of equity shares	29,022,175	28,995,188	29,009,111	28,821,436	28,593,500
CCCPS convertible into Equity shares	16,078,075	16,078,075	16,078,075	16,078,075	16,078,075
Total considered for calculating Basic EPS	45,100,250	45,073,263	45,087,186	44,899,511	44,671,575
Effect of dilution:					
Stock options granted under ESOP	503,825	483,075	483,075	625,625	884,000
Total considered for calculating Diluted EPS	45,604,075	45,556,338	45,570,261	45,525,136	45,555,575

28 Gratuity and other Post employment benefit plans

A. Defined benefit plan:

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 Restated Ind AS Summary Statement of Profit and Loss, the funded status and amounts recognised in Summary Statement of Assets and Liabilities for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefits expense

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Current service cost	1.38	1.16	2.31	2.15	1.99
Past service cost	-	-	-	-	0.12
Net interest (income) / expense	(0.06)	(0.11)	(0.21)	0.03	0.19
Net benefit expense recognised in the Restated Ind AS Summary Statement of Profit and Loss	1.32	1.05	2.10	2.18	2.30

(All amount in Indian rupees million, unless otherwise stated)

28 Gratuity and other Post employment benefit plans (continue)

Amount recognised in the statement of other comprehensive income

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Actuarial losses/ (gain) arising from changes in financial assumptions	0.70	0.25	1.43	-	(0.34)
Actuarial (gains) arising from changes in experience assumptions	(0.62)	(0.35)	(0.26)	(2.82)	(2.67)
Actuarial (gains) arising from changes in demographic assumptions	-	(0.01)	(0.01)	-	-
Return on plan assets excluding amounts included in interest income	0.07	0.08	0.20	0.35	0.04
Total re-measurement costs/ (income) for the period/ year recognised in other comprehensive income	0.15	(0.03)	1.36	(2.47)	(2.97)

Changes in the present value of the defined benefit obligation are as follows :

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Opening defined benefit obligation	17.15	13.15	13.15	15.60	19.68
Current service cost	1.38	1.16	2.31	2.15	1.99
Past service cost	-	-	-	-	0.12
Interest cost	0.56	0.47	0.94	1.14	1.02
Benefits paid	(0.09)	(0.42)	(0.41)	(2.92)	(4.20)
Re-measurement (gain) / loss in other comprehensive income	0.08	(0.11)	1.16	(2.82)	(3.01)
Closing defined benefit obligation	19.08	14.25	17.15	13.15	15.60

Changes in the fair value of plan assets are as follows :

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Fair value of plan assets at the beginning of the period	17.58	14.77	14.77	14.13	11.78
Interest income	0.62	0.58	1.15	1.11	0.83
Contributions by employer	0.67	-	2.27	2.62	2.44
Benefits paid	(0.09)	(0.42)	(0.41)	(2.74)	(0.88)
Return on plan assets, excluding amount recognised in interest income (losses)	(0.07)	(0.08)	(0.20)	(0.35)	(0.04)
Fair value of plan assets at the end of the period	18.71	14.85	17.58	14.77	14.13

Net benefit liability/ (asset)

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Present value of defined benefit obligation at the end of the period	19.08	14.25	17.15	13.15	15.60
Less: Fair value of plan assets at the end of the period	18.71	14.85	17.58	14.77	14.13
Net benefit liability/ (asset)	0.37	(0.60)	(0.43)	(1.62)	1.47

The major categories of plan assets of the fair value of the total plan assets are as follows:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Nature of plan assets					
Investments with insurer	100%	100%	100%	100%	100%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Discount rate	6.55%	7.45%	6.85%	7.60%	7.60%
Salary growth rate	5.00%	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	6.55%	7.45%	7.90%	7.75%	7.60%
Normal age of retirement	60 years	60 years	60 years	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	3% at younger ages reducing to 1% at older ages	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)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

(All amount in Indian rupees million, unless otherwise stated)

28 Gratuity and other Post employment benefit plans (continue)

A quantitative sensitivity analysis for significant assumption as at September 30, 2020, September 30, 2019, March 31, 2020 and March 31, 2019 and March 31, 2018 is as shown below:

Assumptions	Impact on defined benefit obligation			
	September 30, 2020		September 30, 2019	
	Increase by 50 basis points	Decrease by 50 basis points	Increase by 50 basis points	Decrease by 50 basis points
Discount rate	(1.14)	1.25	(0.57)	0.63
Salary growth rate	1.26	(1.16)	0.64	(0.59)
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Withdrawal Rate	0.06	(0.06)	0.05	(0.05)

Assumptions	Impact on defined benefit obligation					
	March 31, 2020		March 31, 2019		March 31, 2018 (Proforma)	
	Increase by 50 basis points	Decrease by 50 basis points	Increase by 50 basis points	Decrease by 50 basis points	Increase by 50 basis points	Decrease by 50 basis points
Discount rate	(0.98)	1.07	(0.71)	0.78	(0.63)	0.69
Salary growth rate	1.08	(1.00)	0.80	(0.73)	0.70	(0.64)
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Withdrawal Rate	0.06	(0.06)	0.06	(0.07)	0.06	(0.06)

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 periods:

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Within next 12 months	1.42	1.23	1.35	1.50	1.24
Between 1 to 5 years	4.18	3.26	4.07	3.04	2.84
Between 5 to 10 years	4.70	3.59	4.45	3.32	3.48

The average duration of the defined benefit plan obligation at the end of the reporting period is 24.74 years (September 30, 2019: 24.42 years, March 31, 2020: 24.36 years, March 31, 2019: 24.82 years and March 31, 2018: 25.09 years)

29 Related party transactions

A Names of related parties and related party relationship

Halogen Chemicals Private Limited	Associate Company
Key managerial person (KMP)	
Hemant Jalan	Managing Director
Anita Jalan	Director
Kottiedath Venugopal Narayanankutty	Director
Sujoy Bose (w.e.f March 07, 2018)	Company Secretary
Chetan Humane (w.e.f March 11, 2020)	Chief financial officer
Sunil Badriprasad Goyal (w.e.f June 01, 2020)	Independent director
Praveen Kumar Ramniranjan Tripathi (w.e.f June 01, 2020)	Independent director
Ravi Nigam (w.e.f March 28, 2019)	Independent director
Nupur Garg (w.e.f June 01, 2020)	Independent director
Relative of KMP	
Vinay Menon	

(All amount in Indian rupees million, unless otherwise stated)

29 Related party transactions (continue)

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 period / year.

		Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
a.	Transactions during the period/ year					
	(i) Purchase of goods					
	Halogen Chemicals Private Limited	-	-	-	0.36	2.16
	(ii) Lease rentals paid					
	Halogen Chemicals Private Limited	-	-	-	0.08	0.03
	(iii) Remuneration paid					
	Salary allowances and bonus *					
	Hemant Jalan	6.30	4.50	9.00	7.20	6.00
	Anita Jalan	0.30	0.30	0.60	0.60	0.60
	Kottiedath Venugopal Narayanankutty	4.35	3.45	6.90	7.89	6.54
	Vinay Menon	1.22	1.21	2.20	2.15	2.20
	Sujoy Bose	0.35	0.29	0.54	0.48	0.06
	Chetan Humane	1.62	-	0.13	-	-
	Directors sitting fees & commission					
	Sunil Badriprasad Goyal	0.20	-	-	-	-
	Praveen Kumar Ramniranjan Tripathi	0.20	-	-	-	-
	Ravi Nigam	0.20	-	-	-	-
	Nupur Garg	0.50	-	-	-	-
b.	Closing balance					
	(i) Trade payable and other liabilities					
	Halogen Chemicals Private Limited	-	-	-	-	0.03
	(ii) Remuneration payable					
	Hemant Jalan	0.79	0.52	0.75	0.42	0.33
	Anita Jalan	0.05	0.05	0.05	0.05	0.05
	Kottiedath Venugopal Narayanankutty	0.50	0.58	0.58	0.33	0.29
	Vinay Menon	0.15	0.30	0.18	0.12	0.11
	Sujoy Bose	0.05	0.07	0.05	0.04	0.03
	Chetan Humane	0.18	-	0.21	-	-
	Directors sitting fees & commission payable					
	Sunil Badriprasad Goyal	0.09	-	-	-	-
	Praveen Kumar Ramniranjan Tripathi	0.09	-	-	-	-
	Ravi Nigam	0.09	-	-	-	-
	Nupur Garg	0.23	-	-	-	-

* The remuneration does not include gratuity and leave encashment since the same is calculated for all the employees of the Company as a whole.

* Above excludes employee stock option perquisites.

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 period / year are unsecured and interest free and settlement occurs in cash.

30 Capital and other commitments

i) The estimated amounts of contract remaining to be executed on capital account and not provided for are Rs. 108.80 million (net of advances of Rs. 34.58 million) [September 30, 2019: Rs. 213.06 million (net of advances of Rs. 43.88 million), March 31, 2020: Rs. 4.64 million (net of advances of Rs. 9.37 million), March 31, 2019: Rs. 135.57 million (net of advances: Rs. 57.48 million) and March 31, 2018: Rs. 81.78 million (net of advances: Rs. 24.18 million)]

ii) The Company has guaranteed purchase of certain quantities of tinting machine and gyro shakers. In the event the Company is not able to make the purchases, it will be liable to compensate the manufacturer with a fee equivalent to the manufacturer's price towards inventory of components including the customized front panel TAB, keyboard, mouse and USB hub with cabling.

iii) For commitments relating to lease arrangements, refer note 36.

31 Contingent liabilities

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Sales tax - C forms	0.30	1.52	0.42	2.69	3.37
Value added tax	301.11	0.11	0.11	0.11	-
Income tax matters	2.82	2.78	2.78	3.90	3.90
Excise and service tax related matters	9.35	11.10	9.34	11.10	11.19
Building tax	2.28	-	-	-	-
Total*	315.86	15.51	12.65	17.80	18.46

*excluding interest and penalty thereon.

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 recognised in the financial statements.

Provision for provident fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. The Company has adopted the basis as mentioned in the SC judgement prospectively with effect from June 01, 2020.

(All amount in Indian rupees million, unless otherwise stated)

32 Employee stock option scheme (adjusted for issue of bonus shares)

i. The Company has provided following share-based payment schemes to its employees:

Particulars	Employee stock option scheme 2014	Employee stock option scheme 2014	Employee stock option scheme 2014	Employee stock option scheme 2014	Employee stock option scheme 2019	Employee stock option scheme 2019
Date of grant	December 07, 2014	December 14, 2015 & March 07, 2016	December 05, 2016	December 05, 2017	June 04, 2019	July 07, 2020
Date of board approval	December 07, 2014	November 30, 2015 & February 24, 2016	December 05, 2016	December 05, 2017	April 29, 2019	July 07, 2020
Date of shareholder's approval	December 06, 2014	December 06, 2014	December 06, 2014	December 06, 2014	March 28, 2019	March 28, 2019
Number of options granted	461,500	303,875	102,375	39,000	27,750	21,250
Method of settlement	Equity settled					
Original vesting period	3 year 6 months	4 years	4 years	4 years	5 years	5 years
Vesting period#	1 year 4 months*	1 year 4 months*	1 year 4 months*	1 year 4 months*	5 years	5 years
Fair value of shares on date of grant	Rs. 66.15	Rs. 106.15	Rs. 106.15	Rs. 106.15	Rs. 242.98	Rs. 612.96
Vesting conditions**	Vesting based on continued association with the Company					

*during the financial year 2018-19 based on the powers of the board of directors, the board had reduced the vesting period to 1 year 4 months.
**policy doesn't mention the exercise period and expected life of the options.
Subsequent to September 30, 2020, the Company has changed certain conditions including Vesting period and exercise period for Employee stock option scheme 2019

ii. The details of activities under the scheme have been summarised below:

	Six month period ended September 30, 2020		Six month period ended September 30, 2019	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Outstanding at the beginning of the period	483,075	85.16	625,625	93.58
Granted during the period	21,250	10.00	27,750	10.00
Forfeited during the year / period	(500)	10.00	-	-
Exercised during the period	-	-	(170,300)	103.86
Outstanding at the end of the period	503,825	82.06	483,075	85.16
Exercisable at the end of the period	455,325	89.74	455,325	89.74

	Year ended March 31, 2020		Year ended March 31, 2019		Year ended March 31, 2018 (Proforma)	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Outstanding at the beginning of the year	625,625	93.58	884,000	85.71	845,000	84.75
Granted during the year	27,750	10.00	-	-	39,000	106.15
Exercised during the year	(170,300)	103.86	(258,375)	66.66	-	-
Outstanding at the end of the year	483,075	85.16	625,625	93.58	884,000	85.71
Exercisable at the end of the year	455,325	89.74	586,625	92.75	-	-

The weighted average remaining contractual life for the stock options outstanding as at September 30, 2020 is in the range of 0.00 years - 4.77 years (September 30, 2019: 0.00 years - 4.68 years, March 31, 2020: 0.00 years - 4.18 years, March 31, 2019: 0.00 years - 0.01 years, March 31, 2018: 0.18 years - 3 years)

iii. The details of stock options exercised during the period/ year:

	Six month period ended September 30, 2020	Six month period ended September 30, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018 (Proforma)
Number of options exercised during the period / year	-	170,300	170,300	258,375	-
Weighted average share price (Rs.)	-	103.86	103.86	66.66	-

iv. The details of exercise price for stock options outstanding at the end of the period/ year are:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Number of options outstanding	503,825	483,075	483,075	625,625	884,000
Exercise price (Rs.)	Rs 10 - Rs 106.15	Rs 10 - Rs 106.15	Rs 10 - Rs 106.15	Rs 66.15 - Rs 106.15	Rs 66.15 - Rs 106.15
Weighted average remaining contractual life of options (in years)	0.00 to 4.77 years	0 to 4.68 years	0 to 4.18 years	0 to 0.18 years	0.18 to 3 years
Weighted average exercise price (Rs.)	82.06	85.16	85.16	93.58	85.71

v. Stock options granted:

The weighted average fair value of stock options granted during the period / year was Rs. 605.96 (September 30, 2019: Rs. 235.90, March 31, 2020: Rs. 235.90, March 31, 2019: Rs. Nil* and March 31, 2018: Rs. 37.64). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Weighted average share price (Rs.)	Rs. 612.96	Rs. 242.98	Rs. 242.98	Nil	Rs. 106.15
Exercise Price (Rs.)	Rs 10	Rs 10	Rs 10		Rs. 66.15 - Rs. 106.15
Expected volatility (%)	30.00%	27% - 30%	27% - 30%		30%
Expected life of the options granted (in years)	5 years	5 years	5 years		3 years - 6 months
Average risk-free interest rate (%)	5.10%	6.90%	6.90%		7.30%
Dividend yield	0.00%	0.00%	0.00%		0.00%

*No options were granted in the year ended March 31, 2019.

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 Restated Statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share based payment plans for the period ended September 30, 2020 amounted to Rs. 1.26 million (September 30, 2019: Rs. 0.44 million, March 31, 2020: Rs. 1.09 million, March 31, 2019: Rs. 9.53 million and March 31, 2018: Rs. 6.62 million). The liability for employee stock options outstanding as at September 30, 2020 amounted to Rs. 16.51 million (September 30, 2019: Rs. 14.60 million, March 31, 2020: Rs. 15.25 million, March 31, 2019: Rs. 20.38 million and March 31, 2018: Rs. 16.53 million)

(All amount in Indian rupees million, unless otherwise stated)

33 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006)

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/ year					
-- Principal amount due to micro and small enterprises	357.17	284.12	258.96	128.33	87.91
-- Interest due on above	1.39	1.40	0.79	0.35	0.14
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 period / 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 period / year	1.39	1.40	0.79	1.53	1.19
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-	-	-

Based on the balance confirmations received by the Company, there are no interest for delayed payment of MSMED.

34 Operating leases

Company as lessor

The Company has given tinting machine and gyro shakers on operating lease to its dealers. The Company enters into 5 years cancellable lease agreements. The minimum aggregate lease payments to be received in future is considered as Rs. Nil. Accordingly, the disclosure of minimum lease payments receivable at the reporting 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 (i.e. 5 years).

35 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".

36 Leases

Company as a lessee

The Company has lease contracts mainly for godowns and depots used for storage of goods. Leases of such godowns generally have lease terms between 3 and 6 years, while depots have lease terms of 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of depots with lease terms of 12 months or less and leases of low value.

The Company has applied the available practical expedients wherein it:

a. Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
b. Relied on its assessment of whether leases are onerous immediately before the date of initial application.
c. Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
d. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
e. Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
f. Elected not to separate non lease components from lease components and instead account for each lease component and any associated non lease component as a single component.

For details on Right to use assets, refer note 3.2

(All amount in Indian rupees million, unless otherwise stated)

36 Leases (continue)

The carrying amounts of lease liabilities and the movements during the period:

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
At the beginning of the period/ year	62.61	93.97	93.97	76.85	75.47
Additions	9.93	-	3.32	43.94	18.84
Accretion of interest	2.95	3.93	7.86	7.59	7.30
Payments	(18.04)	(22.11)	(42.54)	(34.41)	(24.51)
At the end of the period/ year	57.45	75.79	62.61	93.97	77.10
Proforma Ind AS Adjustments (refer note 38)	-	-	-	-	(0.25)
Closing balance after restatement adjustments	57.45	75.79	62.61	93.97	76.85
Current	31.75	29.73	34.41	39.87	28.83
Non-current	25.70	46.06	28.20	54.10	48.27

Non-cash investing and financing transaction

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Additions to lease liabilities	9.93	-	3.32	43.94	18.84
Interest accrued on lease liabilities	2.95	3.93	7.86	7.59	7.30

The maturity analysis of lease liabilities are disclosed in Note 37B.
The effective interest rate for lease liabilities is 10%, with maturity between 2021-2026
The following are the amounts recognised in profit or loss:

Particulars	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Depreciation expense of right-of-use assets	16.29	20.75	39.23	32.39	22.09
Interest expense on lease liabilities	2.95	3.93	7.86	7.59	7.30
Expense relating to short-term leases (included in other expenses)	0.34	0.25	0.91	4.18	8.89
As at 31 March	19.58	24.93	48.00	44.16	38.28
Proforma Ind AS Adjustments (refer note 38)	-	-	-	-	(4.80)
Total amount recognised in Restated Statement of profit and loss	19.58	24.93	48.00	44.16	33.48

Notes:
The Company had total cash outflows for leases of Rs. 18.04 million (September 30, 2019: Rs. 22.11 million, March 31, 2020: Rs. 42.54 million, March 31, 2019: Rs. 34.41 million and March 31, 2018: Rs. 24.51 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 9.93 million (September 30, 2019: Rs. Nil million, March 31, 2020: Rs. 3.32 million, March 31, 2019: Rs. 43.94 and March 31, 2018: Rs. 18.84 million). The future cash outflows relating to leases are disclosed in Note 37B.

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.

The Company has entered into a lease agreement on October 15, 2020 to take an office premise for 12 months on lease. The total rent for such agreement is INR 31.15 million. The premise is the new registered office of the Company.

(All amount in Indian rupees million, unless otherwise stated)

37A Fair value measurements

i) Category of financial instruments and valuation techniques

Breakup of financial assets carried at amortised cost

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Trade receivables	855.70	803.55	1,044.74	1,038.47	967.86
Cash and cash equivalent	121.48	42.71	56.84	118.42	46.23
Bank balances other than Cash and cash equivalents	-	-	-	21.81	0.20
Loans	63.52	48.38	57.97	43.96	9.43
Other financial assets	24.84	23.28	24.00	1.11	23.73
Total	1,065.54	917.92	1,183.55	1,223.77	1,047.45

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

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Investments	305.93	202.30	208.37	197.04	184.34
Total	305.93	202.30	208.37	197.04	184.34

Breakup of financial liabilities carried at amortised cost

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Borrowings	193.26	526.25	392.48	516.17	315.51
Trade payables	1,191.05	1,229.49	1,385.90	1,362.42	1,085.32
Other financial liabilities	178.19	188.79	193.93	150.64	100.44
Total	1,562.50	1,944.53	1,972.31	2,029.23	1,501.27

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 are as follows:

		Fair value measurement using			
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Date of valuation	Level 1	Level 2	Level 3	Total
Financial assets measures at fair value					
Investments	September 30, 2020	305.93	-	-	305.93
	September 30, 2019	202.30	-	-	202.30
	March 31, 2020	208.37	-	-	208.37
	March 31, 2019	197.04	-	-	197.04
	March 31, 2018 (Proforma)	184.34	-	-	184.34

There has been no transfer among Level 1, Level 2 and Level 3 during the period / year.

37 B Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(All amount in Indian rupees million, unless otherwise stated)

37 B Financial risk management objectives and policies (continue)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTPL investments. The Company has negligible direct exposure to foreign currency risk.

The sensitivity analysis in the following sections relate to the position as at September 30, 2020, September 30, 2019, 31 March 2020, 31 March 2019 and Mach 31, 2018 (Proforma).

The analysis exclude the impact of movements in market variables on the carrying values of the Company's post-retirement obligations and provisions.

The following assumption have been made in calculating the sensitivity analysis:

(i) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at September 30, 2020; September 30 2019; March 31, 2020; 31 March 2019; March 31, 2018.

(i) Interest rate 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's exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company’s policy is to borrow funds at fixed and floating rate of interest (MCLR and LIBOR linked rates).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company’s profit before tax is affected through the impact on floating rate borrowings, as follows:

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Increase in 50 basis points	1.51	2.01	1.78	1.77	0.66
Decrease in 50 basis points	(1.51)	(2.01)	(1.78)	(1.77)	(0.66)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments, deposits with banks and financial institutions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by the Company’s established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an individual credit limits and are defined in accordance with management's assessment of the customer. Outstanding customer receivables are regularly monitored. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Company uses ageing buckets and provision matrix for the purpose of computation of expected credit loss. The provision rates are based on past trend of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security.

(ii) Financial instruments and bank deposits

Credit risk from balances with banks, mutual funds is managed by the management in accordance with the Company’s policy. Investments of surplus funds are made only with approved counterparties based on limits defined by the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments. The Company’s maximum exposure to credit risk for financial instruments (mutual funds), bank balances and deposits as at September 30, 2020; September 30 2019; March 31, 2020; 31 March 2019; March 31, 2018 is the carrying amounts as mentioned in note 4 and 9.

(c) Price risk

The Company invests its surplus funds in mutual funds which are linked to equity / debt markets. The Company is exposed to price risk for investments that are classified as fair value through profit and loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification and investment in the portfolio is done in accordance with Company’s investment policy approved by the Board of Directors.

(d) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The carrying amounts are assumed to be reasonable approximation of fair value.

(All amount in Indian rupees million, unless otherwise stated)

(d) Liquidity risk (continue)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Next 12 months	1 to 5 years	> 5 years	Total
September 30, 2020					
Borrowings (including current maturities of long term debts)	-	108.08	193.26	-	301.34
Lease Liabilities	-	35.63	34.47	1.30	71.40
Trade payables	-	1,191.05	-	-	1,191.05
Other financial liabilities	-	70.11	-	-	70.11
	-	1,404.87	227.73	1.30	1,633.90
March 31, 2020					
Borrowings (including current maturities of long term debts)	25.29	108.22	367.19	-	500.70
Lease Liabilities	-	35.64	36.45	-	72.09
Trade payables	-	1,385.90	-	-	1,385.90
Other financial liabilities	-	85.71	-	-	85.71
	25.29	1,615.47	403.64	-	2,044.40
September 30, 2019					
Borrowings (including current maturities of long term debts)	232.40	106.28	293.85	-	632.53
Lease Liabilities	-	38.09	68.49	2.91	109.49
Trade payables	-	1,229.49	-	-	1,229.49
Other financial liabilities	-	82.51	-	-	82.51
	232.40	1,456.37	362.34	2.91	2,054.02
March 31, 2019					
Borrowings (including current maturities of long term debts)	16.68	8.03	576.55	-	601.26
Lease Liabilities	-	42.88	72.09	-	114.97
Trade payables	-	1,362.42	-	-	1,362.42
Other financial liabilities	-	65.55	-	-	65.55
	16.68	1,478.88	648.64	-	2,144.20
March 31, 2018 (Proforma)					
Borrowings (including current maturities of long term debts)	226.38	42.78	89.13	-	358.29
Lease Liabilities	-	34.46	123.64	0.55	158.65
Trade payables	-	1,085.32	-	-	1,085.32
Other financial liabilities	-	57.66	-	-	57.66
	226.38	1,220.22	212.77	0.55	1,659.92

37C Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, compulsorily convertible preference shares, 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 manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% and 25%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Borrowings (including current maturities of long term debts) (refer note 13 and 15)	301.34	632.53	500.70	601.26	358.29
Less: Cash and cash equivalents (refer note 9.1)	(121.48)	(42.71)	(56.84)	(118.42)	(46.23)
Net debt (A)	179.86	589.82	443.86	482.84	312.06

	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018 (Proforma)
Equity (refer note 11 and 12)	2,243.73	1,552.71	1,970.53	1,474.63	1,274.61
Total capital (B)	2,243.73	1,552.71	1,970.53	1,474.63	1,274.61
Capital and net debt (C = A+B)	2,423.59	2,142.53	2,414.39	1,957.47	1,586.67
Gearing ratio (D = A/C)	0.07	0.28	0.18	0.25	0.20

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

38 First time adoption

A. First time adoption

The Restated Ind AS Summary Statements for the year ended March 31, 2018 have been prepared on Proforma basis in accordance with requirements of SEBI Circular dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses issued by ICAI. For the purpose of Proforma Restated Ind AS Summary Statements for the year ended March 31, 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date i.e. April 1, 2018. In preparing these proforma financial statements, the Company has prepared opening Balance Sheet as at April 1, 2017, being Proforma date of transition to Ind AS.

Ind AS 101 allows first time adopters certain exemptions and certain optional exceptions from the retrospective application of certain requirements under Ind AS as follows:

B. Exemptions applied

(a) Deemed cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38. Accordingly the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

(b) Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

(c) Business combination

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2018. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

(d) Designation of previously recognised financial instruments

Financial assets and financial liabilities are classified at fair value through profit or loss based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. April 01, 2018 (April 01, 2017 proforma transition date) and not from the date of initial recognition.

C. Mandatory Exceptions

The Company has adopted all relevant mandatory exceptions as set out in Ind AS 101, which are as below:

(a) Estimates

The estimates as at April 01, 2018 (April 01, 2017 proforma transition date) and March 31, 2019 and March 31, 2018 (proforma) are consistent with those made for the same dates in accordance with Indian GAAP except impairment of financial assets based on expected credit loss model and unquoted equity shares at fair value through profit or loss. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2018 (April 01, 2017 proforma transition date), the date of transition to Ind AS and as of March 31, 2019 and March 31, 2018 (proforma).

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(c) Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions appearing on or after the date of transition to Ind AS.

(d) Impairment of financial assets

The Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 01, 2018 (April 01, 2017 proforma transition date)

(All amount in Indian rupees million, unless otherwise stated)

38 First time adoption (continue)

D. Statement of reconciliation of total equity and profit and loss as per previous GAAP and Ind AS

Reconciliation of total equity as at March 31, 2019, March 31, 2018 (Proforma) and April 1, 2017 (Proforma)

Equity reconciliation

	Notes to first time adoption	March 31, 2019	March 31, 2018 (Proforma)	April 1, 2017 (Proforma)
Total equity as per previous GAAP (a)		1,412.99	1,182.30	1,156.60
Ind AS adjustments:				
Reversal of amortisation of goodwill arising on business combination	a, (i)	101.84	101.84	-
Change on account of fair value adjustment of financial instruments	b	47.04	34.34	22.72
Impact of revenue recognition as per Ind AS 115	c	(49.60)	(39.04)	(42.91)
Impact on account of application of Ind AS 116 (net)	d, (ii)	(4.28)	(4.80)	-
Others		(0.25)	(0.03)	(0.01)
Impact of above adjustments on deferred taxes	f	(33.11)	-	-
Total Ind AS adjustments (b)		61.64	92.31	(20.20)
Total Equity as per Ind AS (c = a + b)		1,474.63	1,274.61	1,136.40
Total Restated Equity		1,474.63	1,274.61	1,136.40

Reconciliation of total comprehensive income for the year ended March 31, 2019 and March 31, 2018 (Proforma)

Profit reconciliation

	Notes to first time adoption	March 31, 2019	March 31, 2018 (Proforma)
Net profit after tax under Previous GAAP		213.47	25.70
Ind AS adjustments:			
Reversal of amortisation of goodwill arising on business combination	a, (i)	101.84	101.84
Change on account of fair value adjustment of financial instruments	b	12.70	11.62
Impact of revenue recognition as per Ind AS 115	c	(10.56)	3.87
Impact on account of application of Ind AS 116 (net)	d, (ii)	(4.28)	(4.80)
Share based payments	e, (iii)	(9.53)	(6.62)
Others		(1.83)	(2.99)
Impact of above adjustments on deferred taxes	f	(33.11)	-
Total Ind AS adjustments		55.23	102.92
Net profit for the period		268.70	128.62
Other comprehensive income (net of tax)	g, h	1.61	2.97
Total Comprehensive Income as per Ind AS		270.31	131.59

(All amount in Indian rupees million, unless otherwise stated)

38 First time adoption (continue)

E. Notes to first time adoption

a Goodwill arising on business combination

Under Previous GAAP, the Company has amortised goodwill arising on business combination over the period of 5 years. Under Ind AS, goodwill is not amortised but tested for impairment. The amortisation of goodwill from April 01, 2017 (Proforma) to March 31, 2018 (Proforma) and April 01, 2018 to March 31, 2019 has been reversed resulting in increase in equity and profit for the year ended March 31, 2018 (Proforma) and March 31, 2019.

b Fair value adjustments on financial instruments

Current investments - Under Previous GAAP, current investments in instruments such as mutual funds are recognised at cost or net realisable value, whichever is lower. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in Statement of profit and loss for the year ended March 31, 2019, March 31, 2018 and April 01, 2017 proforma transition date.

c Revenue from contract with customer

Under Previous GAAP, revenue was recognised on transfer of risk and rewards to the customer. Under Ind AS, revenue need to be recognised using five steps model under Ind AS 115. Accordingly, the Company has restated the amount of revenue based on completion of performance obligations upto the reporting dates.

d Leases

Under Previous GAAP, lease rentals were recognised as an expense after giving straight lining impact. Under Ind AS 116, the lessee shall recognise right of use assets and lease liabilities at the inception of lease. Right of use asset shall be depreciated over the lease period and lease liability shall be classified as financial liability and finance cost shall be charged on it for each reporting period. The above calculated amount is cumulative of depreciation on right-of-use assets, finance cost element and reversal of lease rent expenses .

e Employee stock option plan (ESOP)

Under Previous GAAP, the Company recognised only the intrinsic value for ESOP as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense has been recognised in Restated Statement of Profit and Loss for the year ended March 31, 2018 (Proforma) and March 31, 2019. Share options which were granted before and still vesting at April 1, 2018, have been recognised as a separate component of equity in ESOP reserve against retained earnings as at April 1, 2018.

f Deferred tax

The various transitional adjustments have led to temporary differences and accordingly, the Company has accounted for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

g Actuarial loss transferred to Other Comprehensive Income

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Restated Statement of Profit and Loss. As a result of this change, profit for the year ended March 31, 2018 (Proforma) and March 31, 2019 has increased by Rs. 2.97 million and Rs. 1.61 million. There is no impact on total equity.

h Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period unless standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the Restated Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under the Previous GAAP.

i Statement of cash flows

Impact of above Ind AS adjustments in the statement of cash flows for the year ended March 31, 2019 is as follows.

Particulars	Amount as per Indian GAAP	Ind AS Adjustments	Amount as per Ind AS
Net cash flow from operating activities	451.26	64.67	515.93
Net cash flow from investing activities	(602.02)	(30.26)	(632.28)
Net cash flow from financing activities	222.95	(34.41)	188.54
Net increase in cash and cash equivalents	72.19	-	72.19
Cash and cash equivalents at the beginning of the year	46.23	-	46.23
Cash and cash equivalents at the end of the year	118.42	-	118.42

Impact of above Ind AS adjustments in the statement of cash flows for the year ended March 31, 2018 (Proforma) is as follows.

Cash flow reconciliation for the year ended March 31, 2018 (Proforma)

Particulars	Amount as per Indian GAAP	Ind AS Adjustments	Amount as per Ind AS
Net cash flow from operating activities	270.37	(31.96)	238.41
Net cash flow from investing activities	(227.33)	56.46	(170.87)
Net cash flow from financing activities	(43.78)	(24.50)	(68.28)
Net increase in cash and cash equivalents	(0.74)	-	(0.74)
Cash and cash equivalents at the beginning of the year	46.97	-	46.97
Cash and cash equivalents at the end of the year	46.23	-	46.23

38 First time adoption (continue)

F. Proforma Ind AS Adjustments

(i) The Company has recognised goodwill appearing in the books at carrying value on April 1, 2018, which is the date of transition to Ind-AS of audited financial statements. For the purpose of proforma restated financial statements for the year ended March 31, 2018, transition date of Ind-AS is considered as April 1, 2017. Amortisation on goodwill of Rs. 101.84 millions recognised in the audited financial statements of the Company for the year ended March 31, 2018, which was prepared under IGAAP, was reversed in the proforma restated financial statements for the year ended March 31, 2018.

(ii) The Company has recognised Right-of-use assets and lease liabilities in the books on April 1, 2018, which is the date of transition to Ind-AS 116 of audited financial statements. For the purpose of proforma restated financial statements for year ended March 31, 2018, transition date of Ind-AS 116 is considered as April 1, 2017. Such change in transition date resulted into a net adjustment of Rs 4.80 million was recognized in the proforma restated financial statements for the year ended March 31, 2018.

(iii) Under Previous GAAP, the Company recognised only the intrinsic value for ESOP as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. An additional expense has been recognised in Restated Statement of Profit and Loss for the year ended March 31, 2018. Share options which were granted before and still vesting at April 1, 2017, have been recognised as a separate component of equity in ESOP reserve against retained earnings as at April 1, 2017.

39 Exceptional item includes:

a. Loss on assets destroyed by fire amounting to Rs. Nil (September 30, 2019: Rs. Nil, March 31, 2020: Rs. Nil, March 31 ,2019: Rs. Nil and March 31, 2018 (Proforma): Rs. 4.10 million)

b. Loss on demolition of factory building at Kochi plant amounting to Rs. Nil (September 30, 2019: Rs. Nil, March 31, 2020: Rs. Nil, March 31 ,2019: Rs. 3.05 million and March 31, 2018 (Proforma): Rs. 9.06 million)

40 Covid-19 pandemic has rapidly spread throughout the world, including India. Government of India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plant and offices had to be closed down for a period of time, during the six months ended September 30, 2020. Lockdowns have impacted on business operation of the Company, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. Management believes that it has taken into account all the possible impacts of known events arising form Covid-19 pandemic in preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realisable value of other assets. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statement.

41 Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September 2020. However, the date from when the Code will become applicable and the Rules have not yet been notified. The Company will assess the impact of the Code and account for the same once the effective date and the rules are notified.

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(All amount in Indian rupees million, unless otherwise stated)

Annexure VII
Notes to Restated Ind AS Summary Statements

42 In terms of the amendment agreement dated October 27, 2020 to the amended and restated shareholders' agreement dated February 8, 2016 entered into by and among the Company, Sequoia Capital India Investments IV, SCI Investments V, and the Promoters of the Company (the "Shareholders' Amendment Agreement"), Class A1 equity shares of face value of Rs. 10 each ("Class A1 Equity Shares") and Class A2 equity shares of face value of Rs. 10 each ("Class A2 Equity Shares") in the authorised share capital of the Company were re-classified to ordinary equity shares of face value of Rs. 10 each ("Equity Shares") on October 26, 2020. Pursuant to such re-classification of the Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of the Company, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares issued to Sequoia Capital India Investments IV were re-classified to 6,500 ordinary Equity Shares. In the event the initial public offering of the Company is not completed by the long stop date as contemplated in the Shareholders' Amendment Agreement, the differential voting rights which were attached to the Class A1 Equity Shares and Class A2 Equity Shares will be reinstated subject to necessary corporate actions required to be taken by the Company under applicable law.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal
Partner
Membership No.: 501160

Place: Pune
Date: November 05, 2020

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

Hemant Jalan	Anita Jalan	Sujoy Bose	Chetan Humane
Director	Director	Company Secretary	Chief financial officer
DIN: 80942	DIN: 85411	A - 43755	
Place: Pune	Place: Pune	Place: Pune	Place: Pune

Date: November 05, 2020

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(in ₹ million)

Particulars	As at and for the six months ended September 30, 2020*	As at and for the six months ended September 30, 2019*	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018 (Proforma)
Restated profit for the year/ period (A) (₹ in million)	272.05	59.94	478.15	268.7	128.62
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	45.10	45.07	45.09	44.90	44.67
Weighted average number of equity shares in calculating diluted EPS (C) (number in million)	45.60	45.56	45.57	45.53	45.56
Basic Earnings per share (in ₹) (D = A/B)	**6.03**	**1.33**	**10.61**	**5.98**	**2.88**
Diluted Earnings per share (in ₹) (E = A/C)	**5.97**	**1.32**	**10.49**	**5.90**	**2.82**
Total Equity (A) (₹ in million)	2,243.73	1,552.71	1,970.53	1,474.63	1,274.61
Restated Profit for the year/ period (B) (₹ in million)	272.05	59.94	478.15	268.7	128.62
Return on net worth (C = B/A)	**12.12%**	**3.86%**	**24.27%**	**18.22%**	**10.09%**
Total Equity (A) (₹ in million)	2,243.73	1,552.71	1,970.53	1,474.63	1,274.61
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	45.10	45.07	45.09	44.90	44.67
Weighted average number of equity shares in calculating diluted EPS (including convertible preference shares, Stock options granted under ESOP) (C) (number in million)	45.60	45.56	45.57	45.53	45.56
Net Asset Value per Equity Share (basic) (D = A/B) (in ₹)	**49.75**	**34.45**	**43.69**	**32.84**	**28.53**
Net Asset Value per Equity Share (diluted) (E = A/C) (in ₹)	**49.20**	**34.08**	**43.23**	**32.39**	**27.98**
EBITDA (₹ in million)	**480.89**	**234.55**	**909.88**	**540.92**	**258.02**
EBITDA Margin (%)	**18.54%**	**8.60%**	**14.56%**	**10.10%**	**6.43%**

**Numbers for the six months ended September 30, 2020 have not been annualized.*
The ratios have been computed as under:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

2. *Return on Net Worth ratio: Profit/ (loss) for the period attributable to equity shareholders of the company divided by the Total Equity of the Company at the end of the year/period.*

3. *For the purpose of calculation of basic restated net asset value the total number of shares for outstanding as at March 31, 2020, March 31, 2019, March 31, 2018, September 30, 2020 and September 30, 2019 represents the aggregate of equity shares and 0.001% Compulsory convertible cumulative preference shares (CCCPS) as at the end of respective period.*

4. *For the purpose of calculation of diluted restated net asset value the total number of shares considered for calculation of basic net asset value is adjusted with the outstanding employee stock options as the respective period/year end.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the years ended March 31, 2020, March 31, 2019, and March 31, 2018 and the reports thereon dated July 3, 2020, September 20, 2019 and September 5, 2018, respectively ("**Financial Statements**") are available at https://indigopaints.com/investor/financial-results.

Our Company is providing a link to this website solely to comply with the requirements specified under the SEBI ICDR Regulations. The Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for as at and for the six months ended September 30, 2020 and September 30, 2019 and for the years ended March 31, 2020, March 31, 2019, and March 31, 2018 (proforma) and as reported in the Restated Financial Statements, see "*Restated Financial Statements* **-** *Annexure VII – Notes to Restated Ind AS Summary Statement – Note 29*" beginning on page 252.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements.

For details of the borrowing powers of our Board, see "*Our Management – Borrowing powers of Board*" on page 190.

The following table sets forth the details of the aggregate outstanding borrowings of our Company as of September 30, 2020:

(₹ in million)

Category of borrowing	Sanctioned amount	Outstanding amount*
Term loans	471	300.54
Cash credit	200	-
Vehicle loan	4	0.80
Total borrowings	**675**	**301.34**

As certified by M/s Komandoor & Co LLP, Chartered Accountants, through a certificate dated November 10, 2020.

The above statement does not include lease liability as per Ind AS 116 disclosed under financial liability in the Restated Financial Statements. For disclosure of our borrowings as at September 30, 2020 as required by Schedule III of Companies Act, 2013, see "*Restated Financial Statements – Annexure VII – Notes to Restated Ind AS Summary Statement – Note 13*" beginning on page 244.

Principal terms of the outstanding borrowings availed by our Company:

1. ***Interest:*** The interest rate for our working capital facility is 11.40% and is tied to a base rate/ MCLR as specified by the lenders with a yearly reset option. The interest rates for the term loan facilities typically ranges from 9.50 % per annum to 9.80 % per annum and is tied to a base rate/ MCLR as specified by the lenders with a reset option. The base rate/ MCLR may vary for each facility. The interest rate for our car loan is 9.14%. Further, for the loans availed by our Company, additional interest rates have been stipulated on the occurrence of default in terms of payment of any dues or any of the terms and conditions.

2. ***Penal Interest:*** In terms of our borrowings, the lender may charge a penal interest of 3% over and above the interest rate for all over dues and delays of any monies payable (both principal and interest). In terms of our vehicle loan, the lender may charge interest at 4% on the outstanding amount in case of prepayment or premature closure of the loan.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security by way of first hypothecation or charge on our fixed assets and current assets (both present and future). The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Repayment and Tenor:*** The repayment period for the term loans and vehicle loan availed by our Company is typically five years. We are required to repay in such instalments as per the repayment schedule stipulated in the relevant loan documentation. The working capital facility has a validity of 12 months and a repayment period of ninety days.

5. ***Key Covenants:*** In terms of our borrowing arrangements, we are required to:

    a) provide financial statements periodically;

    b) monitor compliance with financial covenants;

    c) take prior consent of the lenders to enter into any scheme of merger, amalgamation, compromise or reconstruction;

    d) take prior consent of the lenders for any change in the ownership or control of our Company whereby the effective beneficial ownership of the Company shall change;

    e) take prior consent of the lenders for effecting any change in material change in the management of the business of our Company;

    f) take prior consent of the lenders to make any amendments in the Company's Memorandum and Articles;

    g) take prior consent of the lenders to create, assume or incur any further indebtedness of a long term nature whether for borrowed money or otherwise;

    h) take prior consent to effect any dividend payout or capital withdrawal, in case of delays in payment of dues or breach of financial covenants;

i) take prior consent of the lenders for any changes in the shareholding pattern and management control of our Company;

j) take prior consent of the lenders to diversify into non-core areas viz business other than the current business;

k) take prior consent to undertake any guarantee obligations or extend letter of comfort, on behalf of any other company, person, trust or any third party;

l) take prior consent before investing in, or extending any advances or loans, to any group company, associates, subsidiary or any other third party;

m) take prior consent to repay subordinated loans availed from directors or group companies;

n) take prior consent to sell, assign, mortgage or otherwise dispose of fixed assets of the Company;

o) take prior consent of lenders before undertaking any further capex except being funded by company's own resources; and

p) inform the lenders of any event likely to have a substantial effect on profit or business of our Company.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company prescribe events of default, including among others:

a) untrue representations or statements;

b) failure or inability to make any payment of principal or interest when due and payable;

c) cessation or threat of cessation of business activities of our Company or change in the general nature or scope of the business, operations, management or ownership, which could have a material adverse effect;

d) utilization of a loan for purposes other than the sanctioned purpose;

e) bankruptcy, insolvency or dissolution of our Company;

f) if our Company is carrying on business at loss, as certified by accountant appointed by the lender;

g) material adverse circumstance or event affecting the repayment capacity of our Company;

h) deterioration or impairment of the securities or any part thereof;

i) any attachment, distress, execution or other process against the Company;

j) if a receiver is appointed in respect of whole or any part of the property/assets;

k) breach or default in performance or observance in the agreement or any of the covenant;

l) liquidation or amalgamation of our Company without prior consent of the lenders;

m) if Company, without prior consent, creates any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the secured properties; and

n) if any substantial change in the constitution or management of the Company occurs without the prior consent of lenders.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

7. ***Consequences of occurrence of events of default:*** In terms of the facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, our lenders may:

a) Seek immediate acceleration of all dues and obligations;

b) enforce the security;

c) initiate legal proceedings for recovery of their dues;

d) impose of penal interest over and above the contracted rate on the amount in default; and

e) have a right to appointment its nominee as receiver.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2020, derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Financial Statements*" and "*Risk Factors*" on pages 271, 206 and 23, respectively.

(In ₹ million)

Particulars	Pre-Offer as at September 30, 2020	As adjusted for the proposed Offer [(1)]
Total Borrowings		
Current Borrowings	-	[●]
Non-current borrowings (A)	193.26	[●]
Current maturities of long term debt (B)	108.08	[●]
Total Borrowings (C)	**301.34**	[●]
Total Equity		
Equity share capital	290.21	[●]
Instruments in the nature of equity*	183.04	[●]
Other equity	1,770.48	[●]
Total Equity (D)	**2,243.73**	[●]
Ratio: Non-current borrowings (including current maturities of borrowings)(A+B) / Total Equity (D)	**0.13**	[●]
Ratio: Total Borrowings (C) / Total Equity (D)	**0.13**	[●]

** Instruments in the nature of equity represents the sum total of the equity component of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS and Series C CCCPS in accordance with Ind AS 32*

Notes:

1. *The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*
2. *Pursuant to re-classification of Class A1 Equity Shares and Class A2 Equity Shares to ordinary Equity Shares in the authorised share capital of our Company on October 26, 2020, 3,250 Class A1 Equity Shares and 3,250 Class A2 Equity Shares held by Sequoia IV were re-classified to 6,500 ordinary Equity Shares.*
3. *69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV will be converted to 69,904, 46,586, and 7,455,360 Equity Shares, respectively; and (ii) 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V will be converted to 130,865 and 8,375,360 Equity Shares, respectively. The conversion of Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*
4. *The above statement does not include lease liability as per Ind AS 116 disclosed under financial liability in the Restated Financial Statements.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our "Restated Financial Statements" beginning on page 206.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 17. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations" beginning on pages 23 and 273, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "our Company" or "the Company", refers to Indigo Paints Limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Independent Market Report for Paints Sector in India" dated November 9, 2020 (the "**F&S Report**") prepared and issued by Frost & Sullivan India Private Limited commissioned by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are the fastest growing amongst the top five paint companies in India. We are the fifth largest company in the Indian decorative paint industry in terms of our revenue from operations for Fiscal 2020 (*Source: F&S Report*).

We have achieved this position in a highly competitive Indian decorative paint industry on the back of our multi-pronged approach. This includes introducing differentiated products to create a distinct market in the paint industry, building brand equity for our primary consumer brand of "*Indigo*", creating an extensive distribution network across 27 states and seven union territories as of September 30, 2020, and installing tinting machines across our network of dealers. To create demand for our differentiated products, we initially tapped into Tier 3, Tier 4 Cities, and Rural Areas, where brand penetration is easier and dealers have greater ability to influence customer purchase decisions (*Source: F&S Report*). We subsequently leveraged this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well. We engaged Mr. Mahendra Singh Dhoni, a sportsperson with pan-India appeal, as our brand ambassador, to enhance our brand image amongst end-customers. We concentrated these branding efforts on our differentiated products and then leveraged these efforts to increase distribution and sale of our complete range of decorative paint products. We subsequently introduced tinting machines in our target markets to increase sales of emulsion paints, which require in-shop tinting.

We manufacture a complete range of decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties and cement paints. We also identify potential product needs from customers and introduce differentiated products to meet these requirements, and create a distinct market for our products. For instance, we are the first company to manufacture and introduce certain differentiated products in the decorative paint market in India, which includes our Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions, Floor Coat Emulsions, Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel (together, "**Indigo Differentiated Products**") (*Source: F&S Report*). These products are differentiated based on the end-use they cater to, as well as added properties that they possess. Revenue generated, i.e. invoicing as per contracted price, from sales of Indigo Differentiated Products represented 26.68%, 27.58%, and 28.62% of our total revenue from operations in Fiscal 2018, 2019 and 2020, respectively. As the first company in India to develop these products, we have had an early mover advantage in the markets we are present in, which has allowed us to realize relatively higher margins for these products compared to the rest of our product portfolio. (*Source: F&S Report*)

As of September 30, 2020, we own and operate three manufacturing facilities located in Jodhpur (Rajasthan), Kochi (Kerala) and Pudukkottai (Tamil Nadu) with an aggregate estimated installed production capacity of 101,903 kilo litres per annum ("**KLPA**") for liquid paints and 93,118 metric tonnes per annum ("**MTPA**") for putties and powder paints. Our manufacturing facilities are strategically located in close proximity to raw material sources that reduces inward freight costs, lowering our cost of raw materials. We also intend to expand our manufacturing capacities at our facility at Pudukkottai in Tamil Nadu, by adding capacities to manufacture water-based paints to cater to the growing demand for these paints. The proposed installed production capacity of the expansion unit is 50,000 KLPA and it is expected to be operational during Fiscal 2023. For further information, see "*Our Business – Proposed Expansion Plans*" and "*Objects of the Offer*" on pages 167 and 91-112, respectively.

We typically commence distributing our products in new states to dealers in Tier 3, Tier 4 Cities and Rural Areas, and subsequently leverage this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well. As of March 31, 2018, 2019, and 2020, our distribution network comprised 33, 33 and 36 depots, and 9,210, 10,246 and 11,230 Active Dealers in India, respectively. As of March 31, 2018, 2019 and 2020, the total number of tinting machines that we placed across our network of dealers was 1,808, 3,143 and 4,296, respectively. We work closely with our dealers and the painter community to understand customer preferences, receive feedback on our products and that of our competition, which enables us to formulate an effective strategy for product development, sales, marketing and pricing.

We believe that our differentiated growth strategy and focused execution has continued to deliver profitable growth to our stakeholders. We have been consistently profitable in the last three fiscals, despite increasing our marketing spends. The table below sets forth certain key operational and financial metrics for the periods indicated:

Particulars	As of/ for the year ended March 31,			As of/ for the six months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million, except percentages)				
Revenue from Operations	4,014.76	5,356.29	6,247.92	2,726.36	2,594.20
Gross Margins (%)	40.80%	44.27%	48.47%	46.63%	47.88%
EBITDA	258.02	540.92	909.88	234.55	480.89
EBITDA Margins (%)	6.43%	10.10%	14.56%	8.60%	18.54%
Restated Profit For the Year/ Period	128.62	268.70	478.15	59.94	272.05
Restated Profit for the Year/ Period as a Percentage of Total Income (PAT Margin) (%)	3.19%	5.00%	7.63%	2.19%	10.45%
Capital Employed	1,727.89	2,222.55	2,654.97	2,365.18	2,722.63
ROCE (%)	9.89%	17.26%	27.50%	6.16%	13.85%
ROE (%)	10.09%	18.22%	24.27%	3.86%	12.12%
Debt to Equity (ratio)	0.28 : 1	0.41 : 1	0.25 : 1	0.41 : 1	0.13 : 1

PRESENTATION OF FINANCIAL INFORMATION

Our restated Ind AS summary statements of assets and liabilities as at September 30, 2020, September 30, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), and the restated Ind AS summary statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the six months ended September 30, 2020 and September 30, 2019, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 (proforma), together with the summary of significant accounting policies and explanatory information thereon (collectively, the "**Restated Financial Statements**"), have been derived from our audited financial statements as at and for the six months ended September 30, 2020 and September 30, 2019 each prepared in accordance with Ind AS 34, and our audited financial statements as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, and our audited financial statements as at and for the years ended March 31, 2019 and March 31, 2018 each prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

The audited financial statements as at and for the year ended March 31, 2019 were prepared in accordance with Indian GAAP, and the management has adjusted financial information for the year ended March 31, 2019 included in such Indian GAAP financial statements using recognition and measurement principles of Ind AS and has included such adjusted financial information as comparative financial information in the audited financial statements for the year ended March 31, 2020.

The Restated Financial Statements for the year ended March 31, 2018 have been prepared on proforma basis. For the purpose of proforma Ind AS financial statements for the year ended March 31, 2018, our Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date, i.e. April 1, 2018. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma summary statements for the year ended March 31, 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2018). For further information, see "*Restated Financial Statements – Annexure V – Note 2.1 - Significant Accounting Policies*" beginning on page 215.

Transition from Indian GAAP to Ind AS Financial Statements

The financial statements for the year ended March 31, 2020, are the first financial statements of our Company that have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, our Company prepared its financial statements in accordance with Indian GAAP. Accordingly, our Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, our Company's opening balance sheet was prepared as at April 1, 2018, our Company's date of transition to Ind AS. In preparing the proforma Ind AS financial statements for the year ended March 31, 2018, our Company has prepared opening balance sheet as at April 1, 2017, being proforma date of transition to Ind AS.

Ind AS 101, First-time adoption of Indian Accounting Standards, allows first time adopters of Ind AS certain exemptions and certain optional exceptions from the retrospective application of certain requirements under Ind AS as follows:

Exemptions Applied

Deemed Cost: Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38. Accordingly, we elected to measure all property, plant and equipment and intangible assets at our Indian GAAP carrying value.

Leases: Ind AS 116 requires an entity to assess whether a contract arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However, we have used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

Business Combination: In accordance with Ind AS 101 provisions related to first time adoption, we have elected to apply Ind AS accounting for business combinations prospectively from April 1, 2018. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

Designation of previously recognised financial instruments: Financial assets and financial liabilities are classified at fair value through profit or loss based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. April 1, 2018 (April 1, 2017 proforma transition date) and not from the date of initial recognition.

Mandatory Exceptions

Estimates: The estimates as at April 1, 2018 (April 1, 2017 proforma transition date) and March 31, 2019 and March 31, 2018 (proforma) are consistent with those made for the same dates in accordance with Indian GAAP except impairment of financial assets based on expected credit loss model and unquoted equity shares at fair value through profit or loss. The estimates used to present these amounts in accordance with Ind AS reflect conditions at April 1, 2018 (April 1, 2017 proforma transition date), the date of transition to Ind AS and as of March 31, 2019 and March 31, 2018 (proforma).

Classification and measurement of financial assets: Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Derecognition of Financial Assets and Financial Liabilities: As set out in Ind AS 101, we have applied the decorognition requirements of Ind AS 109 prospectively for transactions appearing on or after the date of transition to Ind AS.

Impairment of Financial Assets: We have applied exception related to impairment of financial assets given in Ind AS 101. We have used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 1, 2018 (April 1, 2017 proforma transition date).

For further information in relation to first time adoption as per Ind AS – 101, see "*Restated Financial Statements – Annexure VII – Note 38 – First-Time Adoption of Ind AS*" on page 260.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Product development capabilities to meet evolving preferences in the Indian decorative paint industry

We have grown our operations by introducing differentiated products to meet potential product requirements, and create a distinct market for our products. These products are differentiated based on the end-use they cater to and added properties that they possess, and are higher margin products compared to the rest of our product portfolio. The revenue generated, i.e. invoicing as per contracted price, from sales of Indigo Differentiated Products represented 26.68%, 27.58%, and 28.62% of our total revenue from operations in Fiscal 2018, 2019 and 2020, respectively. We intend to continue to grow our portfolio of differentiated products going forward as these products have increasingly represented a larger portion of our revenue from operations, widened the end-customer base that we cater to, and typically have a higher margin profile than other decorative paint products. For further information, see "*Our Business – Strategies – Continue to focus on developing differentiated products to grow market share*" on pages 158-159. By growing our portfolio of Indigo Differentiated Products, we seek to derive certain marketing and distribution benefits, in addition to improving our Gross Margins. We seek to continue to be among the first companies to develop and introduce differentiated products in the Indian decorative industry, in order to compete with fewer companies, and therefore be able to set the pricing terms for these products resulting in higher margins for these products.

The environment for retail in relation to home improvement is rapidly evolving, and aligning our business to respond to evolving preferences for decorative paints is critical to our future success. Our success is dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and end-customer preferences in a variety of our paint categories. We commit time, funds and other resources to identify product opportunities and develop differentiated products to meet these requirements. Although we are exposed to the possibility that our competitors may develop products that are similar or superior to our differentiated products, which may affect the prices at which we sell our products, and correspondingly impact our margins, we have previously experienced certain early mover advantages in the markets we are present in including being able to set the pricing terms for our Indigo Differentiated Products (*Source: F&S Report*).

Industry trends change from time to time and may affect the demand for a particular type of paint product. Our ability to consistently gain market share therefore depends on our ability to develop differentiated products and the acceptance and demand for these products by end-customers and dealers.

Cost of raw materials consumed, Gross Margins, and outward freight costs

We significantly depend on the availability and price of raw materials, such as acrylic binders, packaging tins, pigments, alkyd resins, minerals and additives, used in our manufacturing process. Material Costs, comprising cost of raw material consumed (including cost of transporting these raw materials to our facilities), purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, and excise duty on sale of goods, represent a significant portion of our expenses. In Fiscal 2018, 2019 and 2020, Material Costs amounted to ₹ 2,376.84 million, ₹ 2,985.24 million, and ₹ 3,219.61 million, respectively and represented 59.20%, 55.73%, and 51.53%, respectively, of our revenue from operations in such years. Our manufacturing facilities are strategically located in close proximity to raw material sources. This enables us to procure high quality raw materials with minimal freight charges (*Source: F&S Report*). As a result of locational advantages and the higher margins generated from the Indigo Differentiated Products, our Gross Margins are higher than the industry average in Fiscal 2020 (*Source: F&S Report*). Our Gross Margins were 40.80%, 44.27% and 48.47% in Fiscal 2018, 2019 and 2020, respectively. Gross margins recorded by the top four paint companies was in the range of 38.3% to 42.7% in Fiscal 2018, 36.2% to 42.6% in Fiscal 2019, and 38.1% to 45.8% in Fiscal 2020 (*Source: F&S Report*).

However, as our manufacturing facilities are located in close proximity to our raw material sources, we incur significant outward freight costs to deliver our finished products to dealers. As a result, freight and forwarding charges represented 11.03%, 10.36%, and 10.53% of our revenue from operations in Fiscal 2018, 2019 and 2020, respectively. Freight and forwarding charges as a percentage of revenue from operations of the top four paint companies was in the range of 4.7% to 6.4% in Fiscal 2018, 5.1% to 6.4% in Fiscal 2019, and 4.9% to 6.5% in Fiscal 2020 (*Source: F&S Report*). Our Adjusted Material Costs (i.e. sum of Material Costs and freight and forwarding charges), as a percentage of our revenue from operations were 70.23%, 66.09%, and 62.06%, in Fiscal 2018, 2019 and 2020, respectively.

According to Frost & Sullivan, the following table sets forth certain information on the top five decorative paint companies for the periods indicated:

Adjusted Material Cost as a % of Revenue from Operations *(Material Cost Incl. Freight & Forwarding)*

	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	63.7%	66.4%	66.5%	62.7%	70.2%
FY19	63.7%	68.3%	69.0%	63.1%	66.1%
FY20	61.6%	65.6%	67.2%	59.1%	62.1%

Source: Company Websites

For further information, see "*Industry Overview – Glossary*" on page 148.

Our ability to continue to maintain our level of key expenses is therefore dependent on our ability to continue to derive locational benefits, while our margins are additionally determined by our ability to continue to develop differentiated products, and to subsequently leverage our future economies of scale. While we currently have access to such materials at close proximity to our facilities, in the event we are unable to obtain materials from these sources we may be compelled to approach alternate sources that may not offer similar locational advantages and may therefore result in a significant increase in the cost of production and reduced Gross Margins. In addition, although we are subject to raw material price volatility caused by various factors including commodity market fluctuations, currency fluctuations, and other factors, the paint industry has historically been successful in passing on any significant price increases in inputs to the customer (*Source: F&S Report*). For further information on procurement of our raw materials, see "*Business – Procurement of Raw Materials*" on page 167.

Advertisement and sales promotion expenses

We have strategically undertaken brand-building initiatives to gain visibility with prudent use of resources, gradually increasing branding and marketing expenses consistent with the growth of our business. This is a result of our relatively recent entry into the decorative paint industry as compared to the top four paint companies, that have had significantly longer operating history. Our advertisement and sales promotion expenses represented 11.22%, 12.63%, and 12.65% of our revenue from operations in Fiscal 2018, 2019 and 2020, respectively. The advertising and promotion spends as a percentage of revenue from operations of the top four paint companies was in the range of 3.8% to 5.8% in Fiscal 2018, 3.1% to 5.0% in Fiscal 2019, and 3.3% to 5.0% in Fiscal 2020 (*Source: F&S Report*). Our Media Advertising Spends (that are a part of advertisement and sales promotion expenses) have gradually increased over the years, and amounted to ₹ 615.15 million in Fiscal 2020. Our media advertising spend in Fiscal 2020 is comparable to media advertising spends incurred by the major companies (excluding the market leader) (*Source: F&S Report*). Our key brand building initiatives include engaging Mr. Mahendra Singh Dhoni, a sportsperson with a pan Indian appeal across demographics, as our brand ambassador, and increased media advertising activities. For further information on our brand building initiatives, see "*Our Business – Brand Building and Marketing*" on page 171.

Our advertisement and sales promotion expenses have grown at a CAGR of 32.47%, while our revenue from operations have grown at a CAGR of 24.75% from Fiscal 2018 to Fiscal 2020. Having attained near parity with the large players in terms of absolute media advertising spend in Fiscal 2020 (*Source: F&S Report*), we now intend to make only marginal increases in our future media advertising expenses, and leverage our current cost structure to achieve growth and drive profitability while strengthening our brand. Accordingly, while we may increase our media spends, they may represent a lower proportion of our revenue from operations, compared to our historical media spends, which is likely to impact our profitability and associated ratios in the future. However, in the event other paint companies elect to significantly increase their media spends in the future, we may be compelled to do so to remain competitive, which may prevent us from realizing our expected profitability levels.

Capacity utilization and capacity expansion

Capacity utilization is affected by our product mix and the demand and supply balance, which in turn affects our gross profit margin. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand; and the demand and supply balance of our products in the principal and target markets. Efficient capacity utilization allows us to spread our fixed costs, resulting in a higher profit margin. Manufacturing levels are affected by the number of lost days due to scheduled and unscheduled plant shutdowns. Our actual production levels and utilization rates may differ from the estimated manufacturing capacities of our facilities. Our capacity utilization for liquid paints was 71.80%, 57.64% and 47.49% in Fiscal 2018, 2019 and 2020, and 30.06% and 20.77% in the six months ended September 30, 2019 and September 30, 2020, respectively. Our capacity utilization for powder paints was 66.98%, 90.61% and 50.87% in Fiscal 2018, 2019 and 2020, and 110.68% and 57.98% in the six months ended September 30, 2019 and September 30, 2020, respectively. For further information, see "*Our Business – Capacity and Capacity Utilization*" on pages 165-167. We are therefore in a position to capitalize on our available manufacturing capacities to pursue additional growth with limited capital expenditure.

We are in the process of expanding our manufacturing capacity at our existing Pudukkottai Facility, to include an expansion unit for manufacture of water-based emulsion paints, distempers and primers. For further information on our proposed expansion plans, see "*Our Business – Proposed Expansion Plans*" and "*Objects of the Issue*" on pages 167 and 91-112, respectively. Our ability to profitably expand our capacities is dependent on our ability to efficiently manage our corresponding increase in expenditures and achieve timely completion and commissioning of the expanded capacity at the Pudukkottai Facility. As our existing and planned capacity additions come into greater utilization and translate into commercial production in line with increased demand for our products, it will result in an increase in our production volumes.

Other Operating Expenses

We have historically followed a streamlined, cost efficient, and lean operational structure relative to the size of our operations, including with respect to our employee base, administrative set-up, and operations at our manufacturing facilities. As a result, our overall Other Operating Expenses have been relatively low. Our Other Operating Expenses comprise other expenses less freight and forwarding charges, and advertisement and sales promotion. Our Other Operating Expenses as a percentage of revenue from operations in Fiscal 2018, 2019 and 2020, were 4.59%, 4.38%, and 4.01%, respectively.

According to Frost & Sullivan, the following table sets forth certain information on the top five decorative paint companies for the periods indicated:

Other Operating Expenses as a % of Revenue from Operations (excluding Freight and A&P)					
	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel	Indigo Paints
FY18	6.9%	8.1%	6.3%	12.8%	4.6%
FY19	5.2%	7.1%	6.7%	13.0%	4.4%
FY20	5.7%	7.4%	6.5%	13.8%	4.0%

Source: Company Websites

Note: Other Operating expenses exclude depreciation, interest, freight & handling, advertisement and sales promotion expenses

For further information, see "*Industry Overview – Glossary*" on page 148.

We believe our ability to limit these Other Operating Expenses allows us to manage our higher advertisement and sales promotion expenses, as compared to our key competitors. Our ability to maintain this advantage over our competitors is dependent on our ability to manage costs with the growing scale of our operations.

Entering new markets and growing our network of dealers and tinting machines

We have historically focused on dealers in Tier 3, Tier 4 Cities, and Rural Areas in order to grow our network of dealers, and as of March 31, 2018, 2019, and 2020, our distribution network comprised 9,210, 10,246 and 11,230 Active Dealers in India, respectively. There is significant untapped opportunity in Metros and larger cities that can be capitalized, and our continued success is dependent on our ability to expand our distribution network in these larger cities. In states where we have been present for a significant period, we leveraged our presence in Tier 3, Tier 4 Cities and Rural Areas, to expand into larger cities and Metros such as Thiruvananthapuram, Kochi, Kanpur, Patna and Ranchi. In states we have recently entered, we intend to first focus on expanding our reach in Tier 3, Tier 4 Cities and Rural Areas, and then leverage this to expand into larger cities. We are also in the process of increasing our presence in North India, particularly in the states of Punjab and Uttarakhand, and the union territory of Jammu & Kashmir, where we have recently commenced distributing our products.

Our ability to successfully enter and grow our network of dealers in new markets is dependent on our familiarity with the economic condition, end-customer base and commercial operations in these new regions. With limited presence in such new regions, our ability to gain market share within these regions is also dependent on our ability to compete with companies that may have an existing strong presence in these regions. While we intend to leverage on our existing brand equity and strategically grow our network of dealers outwards from Tier 2 – 4 Cities and Rural Areas to Tier 1 and 2 Cities and Metros, it may be more time consuming to gain acceptance in the larger cities, and may take longer to reach expected sales and profit levels than anticipated.

In addition, we have and will continue to increase the number of our tinting machines. We incur costs towards procuring and placing our tinting machines at dealer outlets, including costs of the machine, and advertisement and sales promotion costs to gain brand recognition and acceptance of our machines. The number of tinting machines placed by us at our dealer outlets was 1,808, 3,143, 4,296 and 4,603, as of March 31, 2018, 2019, 2020 and September 30, 2020, respectively. In order to increase distribution and sale of our emulsion products, we will continue to invest in populating tinting machines. Our ability to successfully recover these investments is dependent on our ability to install all our machines at dealer outlets, and the sale of emulsion paints our dealers are able to secure, on the back of these tinting machines.

Industry Barriers and Competition

The Indian decorative paint industry has historically been dominated by four major entities, as the industry presents significant entry barriers. These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance. The rest of the Indian paint industry is highly fragmented with a presence of several medium and small players (*Source: F&S Report*). We compete on the basis of the strength of our differentiated products, our distribution network, brand recognition, and ability to populate tinting machines. As a result, to remain competitive in our markets, we must continuously strive to manufacture differentiated products, expand our distribution network, enhance our brand and improve our operating efficiencies. (*Source: F&S Report*).

While the four major companies had a combined market share of 65% in the Indian decorative paint industry in 2019, we have emerged as the fastest growing amongst the top five paint companies in India (*Source: F&S Report*). Our revenue from operations have grown at a CAGR of 41.9% between Fiscal 2010 and Fiscal 2019, compared to the range of 12.1% to 13.1% recorded by the top four paint companies in India (*such calculation is based on respective audited financial information and has not been adjusted for accounting changes*) (*Source: F&S Report*). Despite Fiscal 2020 being impacted by COVID-19, our revenue from operations have grown by 16.65% between Fiscal 2019 to Fiscal 2020, against the range of (8.8)% to 4.9% recorded by the top four paint companies in India. (*Source: F&S Report*).

In addition to the four major companies, we also compete with companies that have established their presence in specific regions as part of their strategy. These competitors may limit our opportunity to increase our market share as a result of a stronger dealer network in such regions, and may also compete with us on pricing of products. Competition from existing and new companies could make attaining market share growth more difficult. Our market position will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new products, pricing strategy of competitors, changes in consumer preferences and general economic, political and social conditions in the markets in which we do business.

Seasonality and weather conditions

The decorative paints business is sensitive to seasonality, with revenues recorded during the months of June to August being relatively lower compared to other periods due to the monsoon season. During the monsoons, construction and housing activity is curtailed and while we may continue to incur operating expenses, our revenue from the sale of our products may be delayed or reduced. In addition, unusually cold and rainy weather could have an adverse effect on sales of our exterior paint products. As a result of such fluctuations, our sales and results of operations may vary by fiscal quarter, and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance. In addition, a portion of our revenue is from certain sectors and businesses that are cyclical in nature and subject to changes in general economic conditions. For example, certain of our dealers may sell a significant portion of our products to the construction and housing industry. The level of construction activity in local and national markets is inherently cyclical, being influenced by a wide variety of factors including global and national economic circumstances, governments' ability to fund infrastructure projects, consumer sentiment and other factors beyond our control. As a result, any adverse developments in such industries could adversely affect our business and results of operations.

Similar variations may also result from shifting of major festivals from one month to another in successive years, which may adversely affect our manufacturing and sales volumes in a given period compared to the similar period of the preceding year, and could therefore have an impact on our comparative results of operations during the relevant period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 we expect to be entitled in exchange for those goods or services. We have generally concluded that we are the principal in our revenue arrangements because we typically control 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 below.

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.

We consider 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. In determining the transaction price for the sale of goods, we consider the effects of variable consideration, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration. If the consideration in a contract includes a variable amount, we estimate the amount of consideration to which we 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. We also provide 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.

Rights of return. We use the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. We then apply 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).

Volume rebates. We apply 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. We then apply the requirements on constraining estimates of variable consideration and recognize 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 below.

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 we transfer the related goods or services. Contract liabilities are recognised as revenue when we perform under the contract (i.e., transfer control of the related goods or services to the customer).

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.

We apply 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 we conclude that the tax treatment is not probable to be accepted by the tax authorities, it is reflected in the income tax accounting (as additional liability or higher rate) by using the approach**-** most likely amount or the expected value approach.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that we will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which we recognize MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. We review the "MAT credit entitlement" asset at each reporting date and write down the asset to the extent that it is no longer probable that we will pay normal tax during the specified period.

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.

Property, plant and equipment

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, we depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Assets	Useful lives (in years) prescribed in Schedule II of the act (single shift basis)
Factory building	30
Office building	60
Plant and machinery	5 to 15
Furniture and fixture	10
Electrical installation and equipment	10
Office equipment's	10
Computers and peripherals	3
Vehicles	8

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

We, based on technical assessment made by technical expert and management estimate, depreciate 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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

A summary of the policies applied to intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Software	Finite (10 years)	Amortised on a straight-line basis over the period of the computer software	Acquired
Goodwill	Infinite	No amortisation	Acquired

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.

Leases

We assess 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.

As a Lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets. We recognise 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 accumulated 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 – up to 99 years; (b) Building – up to 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.

Lease Liabilities. At the commencement date of the lease, we recognise 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 us and payments of penalties for terminating the lease, if the lease term reflects us 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, we use our 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.

Short-term leases and leases of low-value assets. We apply 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.

As a Lessor

Leases in which we do 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.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows: (i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. (ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis. (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of non-financial assets

We assess, 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, we estimate 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.

We base our impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our 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, we extrapolate 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 we operate, 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, we estimate 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.

Retirement and other employee benefits

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

We operate 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 we recognise related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. We recognise 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.

Share-based payments

Employees (including senior executives) 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 our 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.

Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of our cash management.

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.

Significant accounting judgements, estimates and assumptions

The preparation of the restated Ind AS summary 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 exposure to risks and uncertainties includes: capital management, financial risk management objectives and policies, sensitivity analyses disclosures.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the restated Ind AS summary statements:

Determining the lease term of contracts with renewal and termination options – As Lessee

We determine 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.

We have several lease contracts that include extension and termination options. We apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, we consider all relevant factors that create an economic incentive for us to exercise either the renewal or termination. After the commencement date, we reassesses the lease term if there is a significant event or change in circumstances that is within our control and affect our ability to exercise or not to exercise the option to renew or to terminate.

Revenue from contracts with customers

We 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, we are 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.

We 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, we determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

Before including any amount of variable consideration in the transaction price, we consider whether the amount of variable consideration is constrained. We determined that the estimates of variable consideration are not constrained based on 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. We based our assumptions and estimates on parameters available when the restated Ind AS summary statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond our control. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

We use 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 our historical observed default rates. We 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. Our 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, we use a most appropriate method (i.e. discounted cash flow approach, comparable companies method, etc) for Employee Share Option Plan. The assumptions and models used for estimating fair value for share-based payment transactions are dependent on the terms of the scheme. Such assumptions include weighted average share price, exercise price, volatility, expected life option, risk free interest rate, etc.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Revenue recognition - Estimating variable consideration for returns and volume rebates

We estimate variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates.

We 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 us.

Our 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.

We 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 us.

We update our 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 our past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Leases - Estimating the incremental borrowing rate

We cannot readily determine the interest rate implicit in the lease, therefore, we use our incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that we 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 we '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. We estimate the IBR using observable inputs (such as market interest rates).

CHANGES IN ACCOUNTING POLICIES

We have adopted Ind AS for preparation of financial statements for the year ended March 31, 2020 with a transition date of April 1, 2018. Accordingly, the financial statements as of and for year ended March 31, 2020 are the first financial statements in accordance with Ind AS. Other than this, there have been no changes in our accounting policies during Fiscal 2018, 2019 and 2020, and in the six months ended September 30, 2019 and September 30, 2020.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) revenue from contracts with customers (at a point in time), and (ii) other operating revenue.

- Revenue from contracts with customers (at a point in time) comprises revenue from sale of goods.

  A reconciliation of revenue from sale of goods/ net revenue from contracts with customers is as follows: (a) gross revenue (invoicing as per contracted price), i.e. invoices raised against dealer orders at the time of despatching finished products, (b) less discounts and rebates offered to such dealers, and (c) adjusted for changes in revenue due to performance obligations (net), which is recognised on satisfying the performance obligations as identified in accordance with Ind AS 115.

- Other operating revenue comprises (a) scrap sales, and (b) amortisation of deferred revenue (lease rentals received in advance), which is the amount received from dealers in the form of non-refundable deposits, amortised over the period of lease, i.e. five years.

Other Income

Other income includes (i) interest income on bank deposits; (ii) foreign exchange differences (net); (iii) miscellaneous income; (iv) fair value gain on financial instruments at fair value through profit or loss; and (v) profit on sale of fixed assets (net).

Expenses

Our expenses comprise (i) cost of raw materials and components consumed; (ii) purchases of traded goods; (iii) decrease/ (increase) in inventories of finished goods and traded goods; (iv) excise duty on sale of goods; (v) employee benefits expense; (vi) finance costs; (vii) depreciation and amortisation expense; and (viii) other expenses.

Costs of Raw Materials and Components Consumed

Costs of raw materials and components consumed comprises cost of raw materials and components such as lime, dolomite, calcite, packaging materials, and solvents, and transportation costs incurred in delivering raw materials to our facilities.

Purchases of Traded Goods

Purchases of traded goods comprises machine colourant and universal stainer that are manufactured by a third-party and that we resell to our dealers for use in our tinting machines.

Decrease/ (Increase) in inventories of finished goods and traded goods

Changes in inventories of finished goods and traded goods.

Excise Duty on Sale of Goods

Excise duty paid on sale of finished goods. Revenue from operations for periods up to June 30, 2017 includes excise duty, and revenue from operations for periods commencing July 1, 2017 onwards exclude excise duty, due to the introduction of the Goods and Service Tax (GST) which is not included in revenue from operations.

Material Costs

Cost of raw material consumed (including cost of transporting these raw materials to our facilities as incurred by our suppliers), purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, and excise duty on sale of goods, together comprise our Material Costs.

Employee Benefit Expense

Employee benefits expense comprises (i) salaries, wages, and bonus; (ii) employee stock option expenses; (iii) contribution to provident fund and other funds; (iv) gratuity expenses; and (v) staff welfare expenses.

Finance Costs

Finance cost comprises (i) interest expense, (ii) unwinding of financial liabilities, and (iii) less borrowing cost capitalized.

Depreciation and Amortisation Expenses

Depreciation and amortisation comprises (i) depreciation of property, plant and equipment; (ii) depreciation of right-of-use assets; and (iii) amortisation of intangible assets.

Other Expenses

Other expenses comprises (i) consumption of stores and spares; (ii) contract labour charges; (iii) power and fuel; (iv) freight and forwarding charges; (v) (decrease)/ increase in excise duty on inventories of finished goods; (vi) lease rent; (vii) rates and taxes; (viii) repairs and maintenance (on plant and machinery and others); (ix) advertisement and sales promotion; (x) travelling and conveyance; (xi) communication expense; (xii) legal and professional charges; (xiii) payment to auditors (audit fees and out-of-pocket expenses); (xiv) provision for impairment of financial assets; (xv) loss on sale of fixed assets (net); (xvi) corporate social responsibility expenditure; and (xvii) miscellaneous expenses.

Key components of other expenses are explained below:

- Advertisement and sales promotion expenses – advertisement expenses relate to costs incurred towards engaging our brand ambassador, sales promotion expenses relate to conducting painter meetings, expenses of shade cards and fan-decks, expenses towards signage boards at dealer outlets and in-shop branding materials, and Media Advertising Spend that comprises payments incurred towards (i) the media agency engaged by us for securing advertisement slots from media channels, (ii) digital media activities; (iii) media houses, (iv) BARC, (v) provisions for other expenses, and (vi) media advertising expenses; and

- Freight and forwarding charges relate to costs incurred towards outward freight operations, i.e. transporting our finished products from our manufacturing facilities to our depots, and subsequently from our depots to individual dealers.

Other Operating Expenses

Other operating expenses comprises other expenses less freight and forwarding charges, and advertisement and sales promotion expenses.

NON-GAAP MEASURES

EBIT, EBITDA, EBITDA Margin, Material Cost, Adjusted Material Cost, Gross Margin, Adjusted Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others, (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBIT, EBITDA, EBITDA Margin, Material Cost, Adjusted Material Cost, Gross Margin, Adjusted Gross Margin, Other Operating Expenses, Capital Employed, Return on Capital Employed, Return on Equity, Debt to Equity, PAT Margin, CAGR and others, are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA and EBITDA Margin to Restated Profit for the Year/ Period

The table below reconciles restated profit for the year/ period to EBITDA. EBITDA is calculated as restated profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Restated profit for the year/ period (I)	**128.62**	**268.70**	**478.15**	**59.94**	**272.05**
Add: Total Tax Expense (II)	**(3.08)**	**68.40**	**196.12**	**58.15**	**80.20**
Add: Exceptional Items (III)	13.16	3.05	-	-	-
Add: Finance Costs (IV)	45.37	46.56	55.95	27.65	24.72
Add: Depreciation and Amortisation expense (V)	90.24	170.54	196.10	96.42	112.15
Less: Other Income (VI)	16.29	16.33	16.44	7.61	8.23
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) VII = I + II +III+IV+V-VI	**258.02**	**540.92**	**909.88**	**234.55**	**480.89**
Revenue from Operations (VIII)	4,014.76	5,356.29	6,247.92	2,726.36	2,594.20
EBITDA Margin (EBITDA as a percentage of Revenue from Operations) IX = (VII/VIII)	**6.43%**	**10.10%**	**14.56%**	**8.60%**	**18.54%**

Reconciliation of Material Costs and Gross Margins to Cost of Raw Materials and Components Consumed

The table below reconciles cost of raw material and components consumed to Material Cost and Gross Margins. Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, and excise duty on sale of goods, while Gross Margin is revenue from operations less Material Costs.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Cost of raw material and components consumed (I)	2,216.20	2,965.15	3,211.32	1,509.74	1,238.18
Adjustments:					
Add: Purchase of Traded Goods (II)	55.70	81.29	108.56	46.19	53.57
Add: Decrease/ (Increase) in Inventories of Finished Goods and Traded Goods (III)	40.90	(61.20)	(100.27)	(100.86)	60.32
Add: Excise Duty on Sale of Goods (IV)	64.04	0	0	0	0
Material Costs V = I + II + III + IV	**2,376.84**	**2,985.24**	**3,219.61**	**1,455.07**	**1,352.07**

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Revenue from Operations (VI)	**4,014.76**	**5,356.29**	**6,247.92**	**2,726.36**	**2,594.20**
Material Costs (as a percentage of revenue from operations) (V/VI)	**59.20%**	**55.73%**	**51.53%**	**53.37%**	**52.12%**
Gross Margin (VII = VI – V)	**1,637.92**	**2,371.05**	**3,028.31**	**1,271.29**	**1,242.13**
Gross Margin (as a percentage of revenue from operations) (VII/VI)	**40.80%**	**44.27%**	**48.47%**	**46.63%**	**47.88%**

Reconciliation of Adjusted Material Costs and Adjusted Gross Margins to Cost of Raw Materials and Components Consumed

The table below reconciles cost of raw material and components consumed to Adjusted Material Cost and Adjusted Gross Margins. Adjusted Material Cost is calculated as cost of raw material and components consumed plus purchase of traded goods, decrease/ (increase) in inventories of finished goods and traded goods, excise duty on sale of goods, and freight and forwarding charges, while Adjusted Gross Margin is revenue from operations less Adjusted Material Costs.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Cost of raw material and components consumed (I)	2,216.20	2,965.15	3,211.32	1,509.74	1,238.18
Adjustments:					
Add: Purchase of Traded Goods (II)	55.70	81.29	108.56	46.19	53.57
Add: Decrease/ (Increase) in Inventories of Finished Goods and Traded Goods (III)	40.90	(61.20)	(100.27)	(100.86)	60.32
Add: Excise Duty on Sale of Goods (IV)	64.04	0	0	0	0
Add: Freight and Forwarding Charges (V)	442.74	554.95	657.70	303.28	277.19
Adjusted Material Costs VI = I + II + III + IV + V	**2,819.58**	**3,540.19**	**3,877.31**	**1,758.35**	**1,629.26**
Revenue from Operations (VII)	**4,014.76**	**5,356.29**	**6,247.92**	**2,726.36**	**2,594.20**
Adjusted Material Costs (as a percentage of revenue from operations) (VI/VII)	**70.23%**	**66.09%**	**62.06%**	**64.49%**	**62.80%**
Adjusted Gross Margin (VII - VI)	**1,195.18**	**1,816.10**	**2,370.61**	**968.01**	**964.94**
Adjusted Gross Margin (as a percentage of revenue from operations) ((VII-VI) /VII)	**29.77%**	**33.91%**	**37.94%**	**35.51%**	**37.20%**

Reconciliation of Other Operating Expenses to Other Expenses

The table below reconciles other expenses to other operating expenses. Other operating expenses is calculated as other expenses less freight and forwarding charges and advertisement and sales promotion expenses.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Other Expenses (I)	1,077.37	1,466.30	1,698.52	827.13	540.81
Adjustments:					
Less: Freight and Forwarding Charges (II)	442.74	554.95	657.70	303.28	277.19
Less: Advertisement and Sales Promotion (III)	450.50	676.61	790.54	399.42	157.65
Other Operating Expenses IV = I – II - III	**184.13**	**234.74**	**250.28**	**124.43**	**105.97**
Revenue from Operations (V)	**4,014.76**	**5,356.29**	**6,247.92**	**2,726.36**	**2,594.20**
Other Operating Expenses as a percentage of Revenue from Operations (III/ V)	**4.59%**	**4.38%**	**4.01%**	**4.56%**	**4.08%**

Reconciliation of Capital Employed and Return on Capital Employed (pre-tax) to Total Assets

The table below reconciles capital employed to total assets. Capital employed is calculated as total assets less current liabilities, plus borrowings under current liabilities, current maturities of long-term debts and lease liabilities under current liabilities, while ROCE is calculated as EBIT divided by capital employed.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Total Assets (I)	2,973.94	3,731.83	4,219.59	3,767.13	4,112.91
Current Liabilities (II)	1,544.04	1,881.30	1,852.54	1,770.36	1,530.11
Current Liabilities - Borrowings (III)	226.38	247.06	145.29	232.40	-
Current Maturities of Long-Term Debts (IV)	42.78	85.09	108.22	106.28	108.08
Current Liabilities - Lease liabilities (V)	28.83	39.87	34.41	29.73	31.75
Capital Employed (VI) = I-II+III+IV+V	**1,727.89**	**2,222.55**	**2,654.97**	**2,365.18**	**2,722.63**
Restated Profit for the year/ period (VII)	128.62	268.70	478.15	59.94	272.05
Total Tax Expense (VIII)	(3.08)	68.40	196.12	58.15	80.20
Finance Costs (IX)	45.37	46.56	55.95	27.65	24.72
Earnings Before Interest, Tax (EBIT) (X) = VII+ VIII + IX	**170.91**	**383.66**	**730.22**	**145.74**	**376.97**
Return on Capital Employed (X/VI)	**9.89%**	**17.26%**	**27.50%**	**6.16%**	**13.85%**

Reconciliation of Return on Equity to Total Equity

The table below reconciles return on equity to total equity. Return on equity is calculated as restated profit for the year/ period divided by total equity.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Total Equity (I)	1,274.61	1,474.63	1,970.53	1,552.71	2,243.73
Restated Profit for the year/ period (II)	128.62	268.70	478.15	59.94	272.05
Return on Equity (III) = (II/I)	**10.09%**	**18.22%**	**24.27%**	**3.86%**	**12.12%**

Reconciliation of Total Borrowings and Debt to Equity Ratio

The table below reconciles total borrowings and debt to equity. Total Borrowings is calculated as borrowings under non-current liabilities plus current maturities of long-term debts plus borrowings under current liabilities, while Debt to Equity is calculated as Total Borrowings divided by total equity.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Non-Current Liabilities - Borrowings (I)	89.13	269.11	247.19	293.85	193.26
Current maturities of long-term debts (II)	42.78	85.09	108.22	106.28	108.08
Current liabilities – Borrowings (III)	226.38	247.06	145.29	232.40	-
Total Borrowings IV = (I + II + III)	**358.29**	**601.26**	**500.70**	**632.53**	**301.34**
Total Equity (V)	**1,274.61**	**1,474.63**	**1,970.53**	**1,552.71**	**2,243.73**
Debt to Equity ratio VI = (IV/V)	**0.28 : 1**	**0.41 : 1**	**0.25 : 1**	**0.41 : 1**	**0.13 : 1**

Reconciliation of PAT Margin to restated profit for the year/ period

The table below reconciles PAT Margin to restated profit for the year/ period. PAT Margin is calculated as restated profit for the year/ period divided by total income, represented as a percentage.

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
Restated Profit for the year/ period (I)	128.62	268.70	478.15	59.94	272.05
Total Income (II)	4,031.05	5,372.62	6,264.36	2,733.97	2,602.43

Particulars	Fiscal			Six Months ended September 30,	
	2018 (proforma)	2019	2020	2019	2020
	(₹ million)				
PAT Margin III = I/ II	**3.19%**	**5.00%**	**7.63%**	**2.19%**	**10.45%**

Reconciliation of CAGR of Advertisement and Sales Promotion Expenses, and Revenue from Operations

Particulars	Fiscal 2018	Fiscal 2020	CAGR%*
Advertisement and sales promotion	450.50	790.54	32.47%
Revenue from Operations	4,014.76	6,247.92	24.75%

** CAGR (as a %): (End Year Value - Fiscal 2020 / Base Year Value - Fiscal 2018) ^ [1/No. of years between Base year (Fiscal 2018) and End year (Fiscal 2020] – 1 [^ denotes 'raised to']*

RESULTS OF OPERATIONS

SIX MONTHS ENDED SEPTEMBER 30, 2020 COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2019

The following table sets forth certain information relating to our results of operations for the six months ended September 30, 2019 and six months ended September 30, 2020:

Particulars	Six Months ended September 30,			
	2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income				
Revenue from operations	2,726.36	99.72%	2,594.20	99.68%
Other income	7.61	0.28%	8.23	0.32%
Total Income	**2,733.97**	**100.00%**	**2,602.43**	**100.00%**
Expenses				
Cost of raw materials and components consumed	1,509.74	55.22%	1,238.18	47.58%
Purchase of traded goods	46.19	1.69%	53.57	2.06%
Decrease/ (increase) in inventories of finished goods and traded goods	(100.86)	(3.69)%	60.32	2.32%
Excise duty on sale of goods	-	-	-	-
Employee benefits expense	209.61	7.67%	220.43	8.47%
Finance costs	27.65	1.01%	24.72	0.95%
Depreciation and amortization expense	96.42	3.53%	112.15	4.31%
Other expenses	827.13	30.25%	540.81	20.78%
Total expenses	**2,615.88**	**95.68%**	**2,250.18**	**86.46%**
Restated profit before exceptional items and tax	**118.09**	**4.32%**	**352.25**	**13.54%**
Exceptional items	-	-	-	-
Restated profit before tax	**118.09**	**4.32%**	**352.25**	**13.54%**
Tax expense				
(a) Current tax	15.91	0.58%	92.78	3.57%
(b) Deferred tax (including MAT credit entitlement/ write-off)	42.24	1.55%	(12.58)	(0.48)%
Total tax expense	**58.15**	**2.13%**	**80.20**	**3.08%**
Restated profit for the year/ period	**59.94**	**2.19%**	**272.05**	**10.45%**
Other comprehensive income (OCI)				
Items not to be reclassified to profit or loss in subsequent periods				
Re-measurement (loss)/ gain on defined benefit plans	0.03	0.00%	(0.15)	(0.01)%
Less: Income tax effect on above	(0.01)	0.00%	0.04	0.00%
Restated total other comprehensive income for the year/ period, net of tax	**0.02**	**0.00%**	**(0.11)**	**0.00%**
Restated total comprehensive income for the year/ period, net of tax	**59.96**	**2.19%**	**271.94**	**10.45%**

Key Developments

Our operations in the six months ended September 30, 2020 were impacted by COVID-19 and consequent lockdowns and restrictions imposed in India. On account of the nationwide lockdown, operations at all of our manufacturing facilities were suspended, which resulted in a decrease in sale of our products particularly during the months of March 2020 and April 2020 on account of government restrictions imposed and additionally on account of cost control measures implemented by our dealers and end-customers.

Income

Total income decreased by 4.81% from ₹ 2,733.97 million in the six months ended September 30, 2019 to ₹ 2,602.43 million in the six months ended September 30, 2020 primarily due to a decrease in revenue from operations by 4.85% from ₹ 2,726.36 million in the six months ended September 30, 2019 to ₹ 2,594.20 million in the six months ended September 30, 2020.

Revenue from Operations

Revenue from operations decreased by 4.85% from ₹ 2,726.36 million in the six months ended September 30, 2019 to ₹ 2,594.20 million in the six months ended September 30, 2020, primarily due to a decrease in revenue from sale of goods by 4.94% from ₹ 2,712.59 million in the six months ended September 30, 2019 to ₹ 2,578.64 million in the six months ended September 30, 2020, as a result of fewer sales during such period. This was primarily attributable to the nationwide lockdown imposed in India during April 2020, and subsequent localized lockdowns imposed in many regions for varying durations.

Revenue generated within India decreased by 4.67% from ₹ 2,714.20 million in the six months ended September 30, 2019 to ₹ 2,587.39 million in the six months ended September 30, 2020, and revenue generated outside India decreased by 44.00% from ₹ 12.16 million in the six months ended September 30, 2019 to ₹ 6.81 million in the six months ended September 30, 2020.

The following table provides the reconciliation of amount of revenue from sale of goods with the contracted price, for the periods indicated:

Particulars	In the Six Months ended September 30,	
	2019	2020
	(₹ million)	
Gross Revenue (Invoicing as per contracted price)	**3,127.05**	**2,970.62**
Less: Discounts and rebates	(324.46)	(382.00)
Add/ (Less): Changes in revenue due to performance obligations (net)	(90.00)	(9.98)
Net revenue from contract with customers	**2,712.59**	**2,578.64**

Net revenue from contract with customers decreased by 4.94% from ₹ 2,712.59 million in the six months ended September 30, 2019 to ₹ 2,578.64 million in the six months ended September 30, 2020, primarily due to a (i) decrease in gross revenue (invoicing as per contracted price) by 5.00% from ₹ 3,127.05 million in the six months ended September 30, 2019 to ₹ 2,970.62 million in the six months ended September 30, 2020, on account of lower sales during the six months ended September 30, 2020, primarily attributable to COVID-19 related restrictions imposed in India; and (ii) an increase in discounts and rebates by 17.73% from ₹ 324.46 million in the six months ended September 30, 2019 to ₹ 382.00 million in the six months ended September 30, 2020, as a result of higher discounts offered to dealers to improve sales during the six months ended September 30, 2020, that was subject to the COVID-19 related restrictions. This was partially offset by an increase in changes in revenue due to performance obligations (net) from ₹ (90.00) million in the six months ended September 30, 2019 to ₹ (9.98) million in the six months ended September 30, 2020.

Other operating revenue increased by 13.00% from ₹ 13.77 million in the six months ended September 30, 2019 to ₹ 15.56 million in the six months ended September 30, 2020. This was primarily due to an increase in amortization of deferred revenue (lease rentals received in advance) by 47.11% from ₹ 6.05 million in the six months ended September 30, 2019 to ₹ 8.90 million in the six months ended September 30, 2020, as a result of an increase in the number of tinting machines placed with dealers, i.e. a total of 4,603 tinting machines as of September 30, 2020, as compared to 3,730 tinting machines as of September 30, 2019.

The increase in other operating revenue was marginally offset by a decrease in scrap sales by 13.73% from ₹ 7.72 million in the six months ended September 30, 2019 to ₹ 6.66 million in the six months ended September 30, 2020. This was a result of higher receipt of input raw materials in tankers in place of barrels that are subsequently emptied and sold as scrap.

Other Income

Other income increased by 8.15% from ₹ 7.61 million in the six months ended September 30, 2019 to ₹ 8.23 million in the six months ended September 30, 2020, primarily due to an increase in miscellaneous income. The increase was offset by a decrease in profit on sale of property, plant and equipment (net) that decreased from ₹ 0.64 million in the six months ended September 30, 2019 to no such income in the six months ended September 30, 2020.

Expenses

Total expenses decreased by 13.98% from ₹ 2,615.88 million in the six months ended September 30, 2019 to ₹ 2,250.18 million in the six months ended September 30, 2020, primarily due to a decrease in cost of raw materials and components consumed and other expenses.

Cost of Raw Materials and Components Consumed

Cost of raw materials and components consumed decreased by 17.99% from ₹ 1,509.74 million in the six months ended September 30, 2019 to ₹ 1,238.18 million in the six months ended September 30, 2020 due to lower level of production during the period. Production levels were affected due to reduced sales of our products, and the suspension of manufacturing activities at our facility for the month of April 2020, on account of the nationwide lockdown imposed due to COVID-19.

Purchase of Traded Goods

Purchase of traded goods increased by 15.98% from ₹ 46.19 million in the six months ended September 30, 2019 to ₹ 53.57 million in the six months ended September 30, 2020 due to (i) higher sales of universal stainers, and (ii) higher sales of machine colourants, due to an increase in the number of tinting machines placed by us at dealer outlets.

Decrease/ (increase) in Inventories of Finished Goods and Traded Goods

Inventories of finished goods and traded goods changed from ₹ (100.86) million in the six months ended September 30, 2019 to ₹ 60.32 million in the six months ended September 30, 2020.

Material Costs

Material Costs decreased from ₹ 1,455.07 million in the six months ended September 30, 2019 to ₹ 1,352.07 million in the six months ended September 30, 2020, respectively, and represented 53.37% and 52.12%, respectively, of our revenue from operations in such periods. This is primarily attributable to a reduction in raw material prices during such period.

Employee Benefit Expenses

Employee benefit expense increased by 5.16% from ₹ 209.61 million in the six months ended September 30, 2019 to ₹ 220.43 million in the six months ended September 30, 2020. This was primarily due to an increase in: (i) salaries, wages, and bonus by 4.02% from ₹ 200.58 million in the six months ended September 30, 2019 to ₹ 208.65 million in the six months ended September 30, 2020 on account of increase in the number of employees, as well as annual salary increments; (ii) an increase in employee stock option expenses from ₹ 0.44 million in the six months ended September 30, 2019 to ₹ 1.26 million in the six months ended September 30, 2020; (iii) an increase in contribution to provident fund and other funds by 43.93% from ₹ 4.12 million in the six months ended September 30, 2019 to ₹ 5.93 million in the six months ended September 30, 2020, on account of change in base effected for applicability of provident fund contribution; and (iv) an increase in gratuity expenses by 25.71% from ₹ 1.05 million in the six months ended September 30, 2019 to ₹ 1.32 million in the six months ended September 30, 2020 on account of actuarial valuation of gratuity expenses.

This was marginally offset by a decrease in staff welfare expenses by 4.39% from ₹ 3.42 million in the six months ended September 30, 2019 to ₹ 3.27 million in the six months ended September 30, 2020, on account of fewer employees at the workplace for prolonged periods due to COVID-19 related restrictions.

Finance Costs

Finance costs decreased by 10.60% from ₹ 27.65 million in the six months ended September 30, 2019 to ₹ 24.72 million in the six months ended September 30, 2020 primarily due to a decrease in interest expenses by 26.78% from ₹ 28.90 million in the six months ended September 30, 2019 to ₹ 21.16 million in the six months ended September 30, 2020. This decrease was offset by a decrease in borrowing cost capitalized from ₹ 5.18 million in the six months ended September 30, 2019 to no such amount in the six months ended September 30, 2020.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 16.31% from ₹ 96.42 million in the six months ended September 30, 2019 to ₹ 112.15 million in the six months ended September 30, 2020, primarily due to an increase in depreciation of property, plant and equipment, by 26.70% from ₹ 75.28 million in the six months ended September 30, 2019 to ₹ 95.38 million in the six months ended September 30, 2020, on account of additions in plant and machinery effected during such period.

This was partially offset by a decrease in depreciation of right-of-use assets by 21.49% from ₹ 20.75 million in the six months ended September 30, 2019 to ₹ 16.29 million in the six months ended September 30, 2020 on account of reduced additions of tinting machines during the months affected by the nationwide lockdown, i.e. we placed 587 tinting machines in the six months ended September 30, 2019, compared to 307 tinting machines in the six months ended September 30, 2020.

Other Expenses

Other expenses decreased by 34.62% from ₹ 827.13 million in the six months ended September 30, 2019 to ₹ 540.81 million in the six months ended September 30, 2020, primarily due to a decrease in:

- Freight and forwarding charges by 8.60% from ₹ 303.28 million in the six months ended September 30, 2019 to ₹ 277.19 million in the six months ended September 30, 2020 on account of lower sales volumes, and consistent efforts for freight optimisation;

- Advertisement and sales promotion by 60.53% from ₹ 399.42 million in the six months ended September 30, 2019 to ₹ 157.65 million in the six months ended September 30, 2020 on account of reduced advertising during April 2020 and May 2020, compared to the corresponding period in the previous year, on account of the COVID-19 pandemic;

- Travelling and conveyance by 44.36% from ₹ 38.48 million in the six months ended September 30, 2019 to ₹ 21.41 million in the six months ended September 30, 2020 on account of reduced travel as a result of COVID-19 related lockdowns and restrictions imposed by the Government;

- Contract labour charges by 15.57% from ₹ 24.08 million in the six months ended September 30, 2019 to ₹ 20.33 million in the six months ended September 30, 2020 on account of reduced production on account of suspension of our manufacturing activities during the nationwide lockdown; and

- Miscellaneous expenses by 6.83% from ₹ 18.90 million in the six months ended September 30, 2019 to ₹ 17.61 million in the six months ended September 30, 2020.

This decrease was partially offset by an increase in power and fuel by 13.31% from ₹ 12.62 million in the six months ended September 30, 2019 to ₹ 14.30 million in the six months ended September 30, 2020 on account of operationalization of Unit II at the Jodhpur Facility that was commissioned in December 2019, and provision for impairment of financial assets from ₹ 0.29 million in the six months ended September 30, 2019 to ₹ 4.35 million in the six months ended September 30, 2020.

Restated Profit before Exceptional Items and Tax

For the reasons discussed above, restated profit before exceptional items and tax was ₹ 352.25 million in the six months ended September 30, 2020 compared to ₹ 118.09 million in the six months ended September 30, 2019. There were no exceptional items in the six months ended September 30, 2019 and September 30, 2020.

Tax Expense

Current tax expenses increased from ₹ 15.91 million in the six months ended September 30, 2019 to ₹ 92.78 million in the six months ended September 30, 2020, primarily on account of an increase in restated profit before exceptional items and tax. This increase was offset by a decrease in deferred tax (including MAT credit entitlement/ write-off) from ₹ 42.24 million in the six months ended September 30, 2019 to ₹ (12.58) million in the six months ended September 30, 2020 due to a significant write-down of deferred tax, pursuant to shifting to the new tax regime announced by Government of India in 2019. As a result, total tax expense amounted to ₹ 80.20 million in the six months ended September 30, 2020 compared to ₹ 58.15 million in the six months ended September 30, 2019.

Restated Profit for the Period

For the various reasons discussed above, we recorded a restated profit for the period of ₹ 272.05 million in the six months ended September 30, 2020 compared to ₹ 59.94 million in the six months ended September 30, 2019.

Restated Total Comprehensive Income for the Period, Net of Tax

Restated total comprehensive income for the period, net of tax, was ₹ 271.94 million in the six months ended September 30, 2020 compared to ₹ 59.96 million in the six months ended September 30, 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 480.89 million in the six months ended September 30, 2020 compared to ₹ 234.55 million in the six months ended September 30, 2019, while EBITDA Margin was 18.54% in the six months ended September 30, 2020 compared to 8.60% in the six months ended September 30, 2019.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2018, 2019 and 2020:

Particulars	Fiscal					
	2018 (proforma)		2019		2020	
	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income	(₹ million)	Percentage of total income
Income						
Revenue from operations	4,014.76	99.60%	5,356.29	99.70%	6,247.92	99.74%
Other income	16.29	0.40%	16.33	0.30%	16.44	0.26%
Total Income	**4,031.05**	**100.00%**	**5,372.62**	**100.00%**	**6,264.36**	**100.00%**
Expenses						
Cost of raw materials and components consumed	2,216.20	54.98%	2,965.15	55.19%	3,211.32	51.26%
Purchase of traded goods	55.70	1.38%	81.29	1.51%	108.56	1.73%
Decrease/ (increase) in inventories of finished goods and traded goods	40.90	1.01%	(61.20)	(1.14)%	(100.27)	(1.60)%
Excise duty on sale of goods	64.04	1.59%	-	-	-	-
Employee benefits expense	302.53	7.50%	363.83	6.77%	419.91	6.70%
Finance costs	45.37	1.13%	46.56	0.87%	55.95	0.89%
Depreciation and amortization expense	90.24	2.24%	170.54	3.17%	196.10	3.13%
Other expenses	1,077.37	26.73%	1,466.30	27.29%	1,698.52	27.11%
Total expenses	**3,892.35**	**96.56%**	**5,032.47**	**93.67%**	**5,590.09**	**89.24%**
Restated profit before exceptional items and tax	**138.70**	**3.44%**	**340.15**	**6.33%**	**674.27**	**10.76%**
Exceptional items	13.16	0.33%	3.05	0.06%	-	-
Restated profit before tax	**125.54**	**3.11%**	**337.10**	**6.27%**	**674.27**	**10.76%**
Tax expense						
(a) Current tax	(3.08)	(0.08)%	48.24	0.90%	147.13	2.35%
(b) Deferred tax (including MAT credit entitlement/ write-off)	-	-	20.16	0.38%	48.99	0.78%
Total tax expense	**(3.08)**	**(0.08)%**	**68.40**	**1.27%**	**196.12**	**3.13%**
Restated profit for the year/ period	**128.62**	**3.19%**	**268.70**	**5.00%**	**478.15**	**7.63%**
Other comprehensive income						
Items not to be reclassified to profit or loss in subsequent periods						
Re-measurement (loss)/ gain on defined benefit plans	2.97	0.07%	2.47	0.05%	(1.36)	(0.02)%
Less: Income tax effect on above	-	-	(0.86)	(0.02)%	0.34	0.01%
Restated total other comprehensive income for the year/ period, net of tax	**2.97**	**0.07%**	**1.61**	**0.03%**	**(1.02)**	**(0.02)%**
Restated total comprehensive income for the year/ period, net of tax	**131.59**	**3.26%**	**270.31**	**5.03%**	**477.13**	**7.62%**

FISCAL 2020 COMPARED TO FISCAL 2019

Key Developments

- Our operations in Fiscal 2020 were impacted in second half of March 2020, by COVID-19 and consequent lockdowns and restrictions imposed in India that impacted an already-slowing Indian economy. The economic growth of India slipped in 2019 as a result of the lingering effect of demonetization and the other political reforms, and remained relatively slow due to the prolonged on-going stress among non-bank financial institutions. (*Source: F&S Report*).

- Construction of Unit II at the Jodhpur Facility for manufacturing putties and cement paints was completed and commissioned in December 2019.

Income

Total income increased by 16.60% from ₹ 5,372.62 million in Fiscal 2019 to ₹ 6,264.36 million in Fiscal 2020 primarily due to an increase in revenue from operations. Revenue from operations increased by 16.65% from ₹ 5,356.29 million in Fiscal 2019 to ₹ 6,247.92 million in Fiscal 2020 due to the reasons discussed below.

Revenue from Operations

Revenue from operations increased by 16.65% from ₹ 5,356.29 million in Fiscal 2019 to ₹ 6,247.92 million in Fiscal 2020, primarily due to an increase in sale of goods by 16.71% from ₹ 5,327.67 million in Fiscal 2019 to ₹ 6,218.17 million in Fiscal 2020, driven by entering new markets, and increased demand for our products on our back of our branding and marketing initiatives, despite the impact of COVID-19 during March 2020.

Revenue generated within India increased by 16.43% from ₹ 5,319.45 million in Fiscal 2019 to ₹ 6,193.22 million in Fiscal 2020, and revenue generated outside India increased by 48.48% from ₹ 36.84 million in Fiscal 2019 to ₹ 54.70 million in Fiscal 2020.

The following table provides the reconciliation of amount of revenue from sale of goods with the contracted price, for the years indicated:

Particulars	Fiscal	
	2019	2020
	(₹ million)	
Gross Revenue (Invoicing as per contracted price)	**5,945.78**	**6,889.09**
Less: Discounts and rebates	(613.03)	(711.69)
Add/ (Less): Changes in revenue due to performance obligations (net)	(5.08)	40.77
Net revenue from contract with customers	**5,327.67**	**6,218.17**

Net revenue from contracts with customers increased by 16.71% from ₹ 5,327.67 million in Fiscal 2019 to ₹ 6,218.17 million in Fiscal 2020, primarily due to an (i) increase in gross revenue (invoicing as per contracted price) by 15.87% from ₹ 5,945.78 million in Fiscal 2019 to ₹ 6,889.09 million in Fiscal 2020, on account of higher sales; and (ii) an increase in changes in revenue due to performance obligations (net) from ₹ (5.08) million in Fiscal 2019 to ₹ 40.77 million in Fiscal 2020. This was partially offset by an increase in discounts and rebates by 16.09% from ₹ 613.03 million in Fiscal 2019 to ₹ 711.69 million in Fiscal 2020, as a result of a proportionate increase in the value of sales.

Other operating revenue also increased by 3.95% from ₹ 28.62 million in Fiscal 2019 to ₹ 29.75 million in Fiscal 2020 primarily due to an increase in amortisation of deferred revenue (lease rentals received in advance) by 63.13% from ₹ 8.30 million in Fiscal 2019 to ₹ 13.54 million in Fiscal 2020, as a result of significant increase in the number of tinting machines placed with dealers in Fiscal 2020, i.e. a total of 4,296 tinting machines as of March 31, 2020, as compared to 3,143 tinting machines as of March 31, 2019.

The increase in other operating revenue was marginally offset by a decrease in scrap sales by 20.23% from ₹ 20.32 million in Fiscal 2019 to ₹ 16.21 million in Fiscal 2020. This was a result of higher receipt of input raw materials in tankers in place of barrels that are subsequently emptied and sold in scrap.

Other Income

Other income marginally increased by 0.67% from ₹ 16.33 million in Fiscal 2019 to ₹ 16.44 million in Fiscal 2020, primarily due to an increase in (i) miscellaneous income from ₹ 0.61 million in Fiscal 2019 to ₹ 2.30 million in Fiscal 2020, and (ii) profit on sale of property, plant and equipment (net) from no such income in Fiscal 2019 to ₹ 0.81 million in Fiscal 2020. The increase was significantly offset by a decrease in (i) fair value gain on financial instruments at fair value through profit or loss, by 10.79% from ₹ 12.70 million in Fiscal 2019 to ₹ 11.33 million in Fiscal 2020; and (ii) foreign exchange differences by 74.34% from ₹ 1.13 million in Fiscal 2019 to ₹ 0.29 million in Fiscal 2020.

Expenses

Total expenses increased by 11.08% from ₹ 5,032.47 million in Fiscal 2019 to ₹ 5,590.09 million in Fiscal 2020, primarily due to an increase in cost of raw materials and components consumed and other expenses.

Cost of Raw Materials and Components Consumed

Cost of raw materials and components consumed increased by 8.30% from ₹ 2,965.15 million in Fiscal 2019 to ₹ 3,211.32 million in Fiscal 2020 due to an increase in production during the year.

Purchase of Traded Goods

Purchase of traded goods increased by 33.55% from ₹ 81.29 million in Fiscal 2019 to ₹ 108.56 million in Fiscal 2020 due to significant increase in sales of machine colourants, pursuant to a significant increase in the number of tinting machines placed by us at our dealer outlets.

Decrease/ (increase) in Inventories of Finished Goods and Traded Goods

Inventories of finished goods and traded goods changed from ₹ (61.20) million in Fiscal 2019 to ₹ (100.27) million in Fiscal 2020.

Material Costs

Material Costs increased from ₹ 2,985.24 million in Fiscal 2019 to ₹ 3,219.61 million in Fiscal 2020, and represented 55.73% and 51.53% of our revenue from operations in such years, respectively. This was primarily attributable to reduction of raw material prices, and growing share of sales of premium products generating higher margins.

Employee Benefits Expenses

Employee benefits expense increased by 15.41% from ₹ 363.83 million in Fiscal 2019 to ₹ 419.91 million in Fiscal 2020, primarily due to an increase in (i) salaries, wages and bonus by 18.49% from ₹ 338.80 million in Fiscal 2019 to ₹ 401.44 million in Fiscal 2020 on account of increase in the number of employees as well as annual increments; (ii) contribution to provident fund and other funds by 10.76% from ₹ 7.53 million in Fiscal 2019 to ₹ 8.34 million in Fiscal 2020 on account of increase in the number of employees; and (iii) staff welfare expenses by 19.86% from ₹ 5.79 million in Fiscal 2019 to ₹ 6.94 million in Fiscal 2020 on account of increase in the number of employees.

This was partially offset by a decrease in employee stock option expenses by 88.56% from ₹ 9.53 million in Fiscal 2019 to ₹ 1.09 million in Fiscal 2020, and a marginal decrease in gratuity expenses by 3.67% from ₹ 2.18 million in Fiscal 2019 to ₹ 2.10 million in Fiscal 2020 on account of changes in actuarial valuations.

Finance Costs

Finance costs increased by 20.17% from ₹ 46.56 million in Fiscal 2019 to ₹ 55.95 million in Fiscal 2020 primarily due to an increase in interest expenses by 27.99% from ₹ 44.94 million in Fiscal 2019 to ₹ 57.52 million in Fiscal 2020, as a result of interest payable on short-term and long-term loans availed. This increase was offset by an increase in borrowing cost capitalized, from ₹ 5.97 million in Fiscal 2019 to ₹ 9.43 million in Fiscal 2020.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 14.99% from ₹ 170.54 million in Fiscal 2019 to ₹ 196.10 million in Fiscal 2020, primarily due to an increase in (i) depreciation of property, plant and equipment, by 13.61% from ₹ 137.37 million in Fiscal 2019 to ₹ 156.06 million in Fiscal 2020 on account of additions in plant and machinery to increase manufacturing capacity, and (ii) depreciation of right-of-use assets by 21.12% from ₹ 32.39 million in Fiscal 2019 to ₹ 39.23 million in Fiscal 2020 on account of increased additions of tinting machines during Fiscal 2020, i.e. we had placed a total of 3,143 tinting machines at our dealer outlets as of March 31, 2019 and a total of 4,296 tinting machines at our dealer outlets as of March 31, 2020.

Other Expenses

Other expenses increased by 15.84% from ₹ 1,466.30 million in Fiscal 2019 to ₹ 1,698.52 million in Fiscal 2020, primarily due to an increase in:

- Freight and forwarding charges that increased by 18.52% from ₹ 554.95 million in Fiscal 2019 to ₹ 657.70 million in Fiscal 2020 on account of corresponding increase in sales volumes;

- Advertisement and sales promotions that increased by 16.84% from ₹ 676.61 million in Fiscal 2019 to ₹ 790.54 million in Fiscal 2020 on account of increased brand-building activities;

- Travelling and conveyance expenses that increased by 15.75% from ₹ 64.44 million in Fiscal 2019 to ₹ 74.59 million in Fiscal 2020 on account of increase in the number of sales personnel;

- Repairs and maintenance expenses for 'others' that increased by 91.50% from ₹ 4.59 million in Fiscal 2019 to ₹ 8.79 million in Fiscal 2020;

- Miscellaneous expenses that increased by 22.60% from ₹ 31.24 million in Fiscal 2019 to ₹ 38.30 million in Fiscal 2020.

The increase was partially offset by a decrease in rates and taxes that decreased by 52.06% from ₹ 8.99 million in Fiscal 2019 to ₹ 4.31 million in Fiscal 2020, and provision for impairment of financial assets that decreased by 64.94% from ₹ 8.10 million in Fiscal 2019 to ₹ 2.84 million in Fiscal 2020.

Restated Profit before Exceptional Items and Tax

For the reasons discussed above, restated profit before exceptional items and tax was ₹ 674.27 million in Fiscal 2020 compared to ₹ 340.15 million in Fiscal 2019. The exceptional items amounted to ₹ 3.05 million in Fiscal 2019 on account of loss on demolition of a factory building at our Kochi Facility, compared to no such exceptional items in Fiscal 2020.

Tax Expense

Current tax expenses increased from ₹ 48.24 million in Fiscal 2019 to ₹ 147.13 million in Fiscal 2020, primarily on account of increased profits. Deferred tax (including MAT credit entitlement/ write-off) also increased from ₹ 20.16 million in Fiscal 2019 to ₹ 48.99 million in Fiscal 2020. As a result, total tax expense amounted to ₹ 196.12 million in Fiscal 2020 compared to ₹ 68.40 million in Fiscal 2019. We adopted the new tax regime under section 115AA of the Income Tax Act, 1961. Accordingly, (a) the current and deferred tax expense for Fiscal 2020, has been determined at the rate of 25.17% and (b) the deferred tax assets as of April 1, 2019, have been written down considering the enacted rate of 25.17%.

Restated Profit for the Year

For the various reasons discussed above, we recorded a restated profit for the year of ₹ 478.15 million in Fiscal 2020 compared to ₹ 268.70 million in Fiscal 2019.

Restated Total Comprehensive Income for the Year, Net of Tax

Restated total comprehensive income for the year, net of tax, was ₹ 477.13 million in Fiscal 2020 compared to ₹ 270.31 million in Fiscal 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 909.88 million in Fiscal 2020 compared to ₹ 540.92 million in Fiscal 2019, while EBITDA Margin was 14.56% in Fiscal 2020 compared to 10.10% in Fiscal 2019.

FISCAL 2019 COMPARED TO FISCAL 2018

Income

Total income increased by 33.28% from ₹ 4,031.05 million in Fiscal 2018 to ₹ 5,372.62 million in Fiscal 2019 primarily due to an increase in revenue from operations. Revenue from operations increased by 33.41% from ₹ 4,014.76 million in Fiscal 2018 to ₹ 5,356.29 million in Fiscal 2019 due to the reasons discussed below.

Revenue from operations for periods up to June 30, 2017 includes excise duty of ₹ 64.04 million, and revenue from operations for periods commencing July 1, 2017 onwards exclude excise duty, due to the introduction of the Goods and Service Tax (GST) which is not included in revenue from operations. Due to this change in indirect taxes, revenue from operations for Fiscal 2019 is not strictly comparable to the revenue from operations for Fiscal 2018.

Revenue from Operations

Revenue from operations increased by 33.41% from ₹ 4,014.76 million in Fiscal 2018 to ₹ 5,356.29 million in Fiscal 2019, primarily due to an increase in sale of goods by 33.38% from ₹ 3,994.30 million in Fiscal 2018 to ₹ 5,327.67 million in Fiscal 2019, driven by entering new markets, and increased demand for our products on our back of our branding and marketing initiatives.

Revenue generated within India increased by 33.55% from ₹ 3,983.01 million in Fiscal 2018 to ₹ 5,319.45 million in Fiscal 2019, and revenue generated outside India increased by 16.03% from ₹ 31.75 million in Fiscal 2018 to ₹ 36.84 million in Fiscal 2019.

The following table provides the reconciliation of amount of revenue from sale of goods with the contracted price, for the years indicated:

Particulars	**Fiscal**	
	2018 (proforma)	**2019**
	(₹ million)	
Gross Revenue (Invoicing as per contracted price)	**4,431.22**	**5,945.78**
Less: Discounts and rebates	(456.75)	(613.03)
Add/ (Less): Changes in revenue due to performance obligations (net)	19.83	(5.08)
Net revenue from contract with customers	**3,994.30**	**5,327.67**

Net revenue from contract with customers increased by 33.38% from ₹ 3,994.30 million in Fiscal 2018 to ₹ 5,327.67 million in Fiscal 2019, primarily due to an increase in gross revenue (invoicing as per contracted price) by 34.18% from ₹ 4,431.22 million in Fiscal 2018 to ₹ 5,945.78 million in Fiscal 2019, on account of higher sales. This was partially offset by (i) an increase in discounts and rebates by 34.22% from ₹ 456.75 million in Fiscal 2018 to ₹ 613.03 million in Fiscal 2019, as a result of a proportionate increase in the value of sales; and (ii) a decrease in changes in revenue due to performance obligations (net) from ₹ 19.83 million in Fiscal 2018 to ₹ (5.08) million in Fiscal 2019.

Other operating revenue also increased by 39.88% from ₹ 20.46 million in Fiscal 2018 to ₹ 28.62 million in Fiscal 2019 primarily due to an increase in (i) scrap sales by 14.93% from ₹ 17.68 million in Fiscal 2018 to ₹ 20.32 million in Fiscal 2019, as a result of higher input of raw materials purchased, a portion of which is subsequently sold as scrap, and (ii) amortisation of deferred revenue (lease rentals received in advance) from ₹ 2.78 million in Fiscal 2018 to ₹ 8.30 million in Fiscal 2019, as a result of a significant increase in the number of tinting machine placed with dealers in Fiscal 2019, i.e. a total of 3,143 tinting machines as of March 31, 2019, compared to 1,808 tinting machines as of March 31, 2018.

Other Income

Other income marginally increased by 0.25% from ₹ 16.29 million in Fiscal 2018 to ₹ 16.33 million in Fiscal 2019, primarily due to an increase in (i) fair value gain on financial instruments at fair value through profit or loss by 5.66% from ₹ 12.02 million in Fiscal 2018 to ₹ 12.70 million in Fiscal 2019; (ii) interest income on bank deposits by 7.39% from ₹ 1.76 million in Fiscal 2018 to ₹ 1.89 million in Fiscal 2019; and (iii) foreign exchange differences by 9.71% from ₹ 1.03 million in Fiscal 2018 to ₹ 1.13 million in Fiscal 2019. This was partially offset by a decrease in miscellaneous income by 58.78% from ₹ 1.48 million in Fiscal 2018 to ₹ 0.61 million in Fiscal 2019.

Expenses

Total expenses increased by 29.29% from ₹ 3,892.35 million in Fiscal 2018 to ₹ 5,032.47 million in Fiscal 2019, primarily due to an increase in cost of raw materials and components consumed, employee benefits expense, depreciation and amortization expense, and other expenses.

Cost of Raw Materials and Components Consumed

Cost of raw materials and components consumed increased by 33.79% from ₹ 2,216.20 million in Fiscal 2018 to ₹ 2,965.15 million in Fiscal 2019 due to an increase in production during the year.

Purchase of Traded Goods

Purchase of traded goods increased by 45.94% from ₹ 55.70 million in Fiscal 2018 to ₹ 81.29 million in Fiscal 2019 due to increase in sales of machine colourants, pursuant to a significant increase in the number of tinting machines placed by us at our dealer outlets.

Decrease/ (increase) in Inventories of Finished Goods and Traded Goods

Inventories of finished goods and traded goods changed from ₹ 40.90 million in Fiscal 2018 to ₹ (61.20) million in Fiscal 2019.

Excise Duty on Sale of Goods

Revenue from operations for periods up to June 30, 2017 includes excise duty of ₹ 64.04 million. From July 1, 2017 onwards the excise duty and most indirect taxes in India were replaced by GST. We collect GST on behalf of the Government, and GST is therefore not included in revenue from operations.

Material Costs

Material Costs amounted to ₹ 2,376.84 million in Fiscal 2018 and ₹ 2,985.24 million in Fiscal 2019, and represented 59.20% and 55.73% of our revenue from operations in such years, respectively. This was attributable to decrease in raw material prices, and growing share of sales of premium products generating higher margins.

Employee Benefits Expenses

Employee benefits expense increased by 20.26% from ₹ 302.53 million in Fiscal 2018 to ₹ 363.83 million in Fiscal 2019, primarily due to an increase in (i) salaries, wages and bonus by 20.73% from ₹ 280.63 million in Fiscal 2018 to ₹ 338.80 million in Fiscal 2019 on account of increase in the number of employees as well as annual increments; (ii) employee stock option expenses by 43.96% from ₹ 6.62 million in Fiscal 2018 to ₹ 9.53 million in Fiscal 2019; (iii) contribution to provident fund and other funds by

5.02% from ₹ 7.17 million in Fiscal 2018 to ₹ 7.53 million in Fiscal 2019.

This was partially offset by a decrease in gratuity expenses that decreased by 5.22% from ₹ 2.30 million in Fiscal 2018 to ₹ 2.18 million in Fiscal 2019 on account of change in actuarial valuation, and decrease in staff welfare expenses by 0.34% from ₹ 5.81 million in Fiscal 2018 to ₹ 5.79 million in Fiscal 2019.

Finance Costs

Finance costs increased by 2.62% from ₹ 45.37 million in Fiscal 2018 to ₹ 46.56 million in Fiscal 2019 primarily due to an increase in interest expenses by 18.05% from ₹ 38.07 million in Fiscal 2018 to ₹ 44.94 million in Fiscal 2019, as a result of increase in borrowings to fund our capital expenditures and working capital requirements. This increase was partially offset by an increase in borrowing cost capitalized, from no such amount in Fiscal 2018 to ₹ 5.97 million in Fiscal 2019.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 88.98% from ₹ 90.24 million in Fiscal 2018 to ₹ 170.54 million in Fiscal 2019, primarily due to an increase in (i) depreciation of property, plant and equipment, from ₹ 67.37 million in Fiscal 2018 to ₹ 137.37 million in Fiscal 2019 on account of higher gross block due to capital expenditure incurred, and (ii) depreciation of right-of-use assets by 46.63% from ₹ 22.09 million in Fiscal 2018 to ₹ 32.39 million in Fiscal 2019 on account of increased additions of tinting machines during Fiscal 2019, i.e. we had placed a total of 1,808 tinting machines at our dealer outlets as of March 31, 2018 and a total of 3,143 tinting machines at our dealer outlets as of March 31, 2019.

Other Expenses

Other expenses increased by 36.10% from ₹ 1,077.37 million in Fiscal 2018 to ₹ 1,466.30 million in Fiscal 2019, primarily due to an increase in:

- Freight and forwarding charges that increased by 25.34% from ₹ 442.74 million in Fiscal 2018 to ₹ 554.95 million in Fiscal 2019 on account of corresponding increase in sales volumes;
- Advertisement and sales promotion that increased by 50.19% from ₹ 450.50 million in Fiscal 2018 to ₹ 676.61 million in Fiscal 2019 on account of significant increase in media spends for brand-building, TVC production expenses, and expenses incurred towards engaging our brand ambassador;
- Excise duty on inventories of finished goods from a decrease of ₹ (16.35) million in Fiscal 2018 to no such expense in Fiscal 2019, on account of changes in taxation policy subsequent to the introduction of GST.;
- Travelling and conveyance expenses that increased by 12.58% from ₹ 57.24 million in Fiscal 2018 to ₹ 64.44 million in Fiscal 2019 on account of increase in our employee base;
- Power and fuel expenses that increased by 48.95% from ₹ 18.63 million in Fiscal 2018 to ₹ 27.75 million in Fiscal 2019 on account of increased production activity, including in the newly commissioned Unit II at the Jodhpur Facility;
- Contract labour charges that increased by 27.23% from ₹ 34.74 million in Fiscal 2018 to ₹ 44.20 million in Fiscal 2019; and
- Miscellaneous expenses that increased by 27.56% from ₹ 24.49 million in Fiscal 2018 to ₹ 31.24 million in Fiscal 2019.

The increase was marginally offset by a decrease in lease rent that decreased by 52.98% from ₹ 8.89 million in Fiscal 2018 to ₹ 4.18 million in Fiscal 2019.

Restated Profit before Exceptional Items and Tax

For the reasons discussed above, restated profit before exceptional items and tax was ₹ 340.15 million in Fiscal 2019 compared to ₹ 138.70 million in Fiscal 2018. The exceptional items amounted to ₹ 3.05 million in Fiscal 2019 on account of loss on demolition of a factory building at our Kochi Facility, compared to exceptional items of ₹ 13.16 million in Fiscal 2018 largely on account of loss on demolition of a factory building at our Kochi Facility, and partly on account of loss on assets destroyed by fire at a quality control laboratory at our Kochi Facility.

Tax Expense

Current tax expenses increased from ₹ (3.08) million in Fiscal 2018 to ₹ 48.24 million in Fiscal 2019, primarily on account of an adjustment of losses carried forward for earlier years in Fiscal 2018. Deferred tax (including MAT credit entitlement/ write-off) also increased from no such expense in Fiscal 2018 to ₹ 20.16 million in Fiscal 2019 as a result of certain opening tax benefits available to the Company. As a result, total tax expense amounted to ₹ 68.40 million in Fiscal 2019 compared to ₹ (3.08) million in Fiscal 2018.

Restated Profit for the Year

For the various reasons discussed above, we recorded a restated profit for the year of ₹ 268.70 million in Fiscal 2019 compared to ₹ 128.62 million in Fiscal 2018.

Restated Total Comprehensive Income for the Year, Net of Tax

Restated total comprehensive income for the year, net of tax, was ₹ 270.31 million in Fiscal 2019 compared to ₹ 131.59 million in Fiscal 2018.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 540.92 million in Fiscal 2019 compared to ₹ 258.02 million in Fiscal 2018, while EBITDA Margin was 10.10% in Fiscal 2019 compared to 6.43% in Fiscal 2018.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short-term working capital requirements and term loans to finance our capital expenditures.

CASH FLOWS

The following tables set forth certain information relating to our cash flows in the years indicated:

Particulars	Fiscal		
	2018 (proforma)	2019	2020
	(₹ million)		
Net cash from operating activities	238.41	515.93	723.41
Net cash from/ (used in) investing activities	(170.87)	(632.28)	(612.67)
Net cash from/ (used in) financing activities	(68.28)	188.54	(172.32)
Net (decrease)/ increase in cash and cash equivalents	(0.74)	72.19	(61.58)
Cash and cash equivalents at the end of the six months period/ year	46.23	118.42	56.84

Particulars	Six Months ended September 30,	
	2019	2020
	(₹ million)	
Net cash from operating activities	270.16	531.57
Net cash from/ (used in) investing activities	(350.57)	(227.14)
Net cash from/ (used in) financing activities	4.70	(239.79)
Net (decrease)/ increase in cash and cash equivalents	(75.71)	64.64
Cash and cash equivalents at the end of the six months period/ year	42.71	121.48

Operating Activities

Six Months Ended September 30, 2020

In the six months ended September 30, 2020, net cash flow from operating activities was ₹ 531.57 million. Restated profit before tax (after exceptional items) was ₹ 352.25 million in the six months ended September 30, 2020 and adjustments to reconcile restated profit before tax (after exceptional items) to operating profit before working capital changes consisted of depreciation and amortization expense of ₹ 112.15 million and finance cost of ₹ 24.72 million, which was partially offset by fair value gain on financial instruments of ₹ 4.88 million. Operating profit before working capital changes was ₹ 488.94 million in the six months ended September 30, 2020. The main working capital adjustments in the six months ended September 30, 2020, included decrease in trade receivables of ₹ 184.69 million, and decrease in inventories of ₹ 95.03 million. This was partially offset by a decrease in trade payables and other financial liabilities of ₹ 194.85 million. Cash generated from operations in the six months ended September 30, 2020 amounted to ₹ 619.54 million. Direct taxes paid (net of refunds) amounted to ₹ 87.97 million.

Six Months Ended September 30, 2019

In the six months ended September 30, 2019, net cash flow from operating activities was ₹ 270.16 million. Restated profit before tax (after exceptional items) was ₹ 118.09 million in the six months ended September 30, 2019 and adjustments to reconcile restated profit before tax (after exceptional items) to operating profit before working capital changes primarily consisted of depreciation and amortisation expense of ₹ 96.42 million, and finance cost of ₹ 27.65 million. Operating profit before working capital changes was ₹ 236.27 million in the six months ended September 30, 2019. The main working capital adjustments in the six months ended September 30, 2019, included decrease in trade receivables of ₹ 234.63 million, and increase in provisions of ₹ 15.20 million, which was partially offset by decrease in trade payables and other financial liabilities of ₹ 133.35 million, and increase in inventories by ₹ 21.44 million. Cash generated from operations in the six months ended September 30, 2019 amounted to ₹ 338.25 million. Direct taxes paid (net of refunds) amounted to ₹ 68.09 million.

Fiscal 2020

In Fiscal 2020, net cash flow from operating activities was ₹ 723.41 million. Restated profit before tax (after exceptional items) was ₹ 674.27 million in Fiscal 2020 and adjustments to reconcile restated profit before tax (after exceptional items) to operating profit before working capital changes primarily consisted of depreciation and amortization expense of ₹ 196.10 million, and finance cost of ₹ 55.95 million. Operating profit before working capital changes was ₹ 916.40 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020 included an increase in inventories of ₹ 74.38 million, and decrease in other liabilities of ₹ 15.35 million, and increase in loans of ₹ 14.01 million. This was partially offset by an increase in provisions of ₹ 22.59 million and increase in trade payables and other financial liabilities of ₹ 22.96 million. Cash generated from operations in Fiscal 2020 amounted to ₹ 847.65 million. Direct taxes paid (net of refunds) amounted to ₹ 124.24 million.

Fiscal 2019

In Fiscal 2019, net cash flow from operating activities was ₹ 515.93 million. Restated profit before tax (after exceptional items) was ₹ 337.10 million in Fiscal 2019 and adjustments to reconcile restated profit before tax (after exceptional items) to operating profit before working capital changes primarily consisted of depreciation and amortization expense of ₹ 170.54 million, and finance cost of ₹ 46.56 million. Operating profit before working capital changes was ₹ 558.33 million in Fiscal 2019. The main working capital adjustments in Fiscal 2019 included increase in inventories of ₹ 141.21 million, increase in trade receivables of ₹ 78.70 million, and increase in loans of ₹ 34.53 million. This was partially offset by an increase in trade payables and other financial liabilities of ₹ 277.12 million. Cash generated from operations in Fiscal 2019 amounted to ₹ 560.28 million. Direct taxes paid (net of refunds) amounted to ₹ 44.35 million.

Fiscal 2018

In Fiscal 2018, net cash flow from operating activities was ₹ 238.41 million. Restated profit before tax (after exceptional items) was ₹ 125.54 million in Fiscal 2018 and adjustments to reconcile restated profit before tax (after exceptional items) to operating profit before working capital changes consisted of depreciation and amortization expense of ₹ 90.24 million and finance cost of ₹ 45.37 million, which was partially offset by fair value gain on financial instruments of ₹ 12.02 million. Operating profit before working capital changes was ₹ 263.63 million in Fiscal 2018. The main working capital adjustments in Fiscal 2018 included increase in trade receivables of ₹ 285.79 million, and increase in inventories of ₹ 20.50 million. This was partially offset by an increase in trade payables and other financial liabilities of ₹ 233.01 million and increase in other liabilities of ₹ 40.70 million. Cash generated from operations in Fiscal 2018 amounted to ₹ 238.82 million. Direct taxes paid (net of refunds) amounted to ₹ 0.41 million.

Investing Activities

Six Months Ended September 30, 2020

Net cash used in investing activities was ₹ 227.14 million in the six months ended September 30, 2020, primarily on account of investment in mutual fund of ₹ 300.00 million, purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors, of ₹ 134.57 million, which was partially offset by proceeds from sale of investments of ₹ 207.32 million.

Six Months Ended September 30, 2019

Net cash used in investing activities was ₹ 350.57 million in the six months ended September 30, 2019, primarily on account of purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors of ₹ 351.50 million.

Fiscal 2020

Net cash used in investing activities was ₹ 612.67 million in Fiscal 2020, primarily on account of purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors, of ₹ 614.02 million.

Fiscal 2019

Net cash used in investing activities was ₹ 632.28 million in Fiscal 2019, primarily on account of purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors, of ₹ 638.27 million, which was marginally offset by proceeds from sale of property, plant and equipment of ₹ 4.86 million.

Fiscal 2018

Net cash used in investing activities was ₹ 170.87 million in Fiscal 2018, primarily on account of purchase of property, plant and equipment, intangible assets including movement in CWIP, capital advances and capital creditors, of ₹ 197.36 million, which was marginally offset by proceeds from sale of property, plant and equipment of ₹ 16.01 million.

Financing Activities

Six Months Ended September 30, 2020

Net cash used in financing activities was ₹ 239.79 million in the six months ended September 30, 2020, primarily on account of repayment of short-term borrowings (net) of ₹ 145.29 million, repayment of long-term borrowings of ₹ 54.07 million, interest paid of ₹ 22.39 million and payment of principal portion of lease liabilities of ₹ 18.04 million.

Six Months Ended September 30, 2019

Net cash from financing activities was ₹ 4.70 million in the six months ended September 30, 2019, primarily on account of proceeds from long-term borrowings of ₹ 136.22 million, and proceeds from exercise of share options of ₹ 17.68 million. This was significantly offset by repayment of long-term borrowings of ₹ 90.28 million, interest paid of ₹ 22.15 million, payment of principal portion of lease liabilities of ₹ 22.11 million, and repayment of short-term borrowings (net) of ₹ 14.66 million.

Fiscal 2020

Net cash used in financing activities was ₹ 172.32 million in Fiscal 2020, primarily on account of repayment of long-term borrowings of ₹ 144.76 million, repayment from short-term borrowings (net) of ₹ 101.77 million, interest paid of ₹ 46.91 million and payment of principal portion of lease liabilities of ₹ 42.54 million. This was partially offset by proceeds from long-term borrowings of ₹ 145.98 million and proceeds from exercise of share options of ₹ 17.68 million.

Fiscal 2019

Net cash from financing activities was ₹ 188.54 million in Fiscal 2019, primarily on account of proceeds from long-term borrowings of ₹ 305.01 million, proceeds from short-term borrowings (net) of ₹ 20.68 million and proceeds from exercise of share options of ₹ 17.22 million. This was partially offset by repayment of long-term borrowings of ₹ 82.72 million, interest paid of ₹ 37.24 million and payment of principal portion of lease liabilities of ₹ 34.41 million.

Fiscal 2018

Net cash used in financing activities was ₹ 68.28 million in Fiscal 2018, primarily on account of interest paid of ₹ 38.06 million, payment of principal portion of lease liabilities of ₹ 24.51 million, and repayment of short-term borrowings (net) of ₹ 11.55 million. This was partially offset by proceeds from long-term borrowings of ₹ 5.84 million.

INDEBTEDNESS

As of September 30, 2020, we had Total Borrowings (consisting of borrowings under non-current liabilities, current maturities of long-term debts, and borrowings under current liabilities) of ₹ 301.34 million. For further information on our indebtedness, see "*Financial Indebtedness*" beginning on page 267.

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2020, and our repayment obligations in the periods indicated:

Particulars	As of September 30, 2020 Payment due by period (₹ million)				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
Term and other loans (secured)					
Non-current Borrowings (I)	193.26	-	193.26	-	-
Current maturities of long term debts (II)	108.08	108.08	-	-	-
Total Term and other loans (III) = (I) + (II)	**301.34**	108.08	193.26	-	-
Current Borrowings (IV)	-	-	-	-	-
Total (V) = (III) + (IV)	**301.34**	**108.08**	**193.26**	-	-

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2020, our contingent liabilities as per Ind AS 37 **-** Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	Amount (₹ million)
Sales tax – C forms	0.30
Value added tax	301.11
Income tax matters	2.82
Excise and service tax related matters	9.35
Building tax	2.28
Total*	**315.86**

**excluding interest and penalty thereon.*

For further information on our contingent liabilities as per Ind AS 37, see "*Restated Financial Statements – Annexure VII – Note 31*" on page 253.

Except as disclosed in the Restated Financial Statements or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of September 30, 2020, aggregated by type of contractual obligation:

Particulars	As of September 30, 2020 Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹ million)				
Estimated amounts of contract remaining to be executed on capital account and not provided for, net of advances	74.22	74.22	-	-	-
Lease Liabilities	71.40	35.63	29.34	5.13	1.30
Operating lease obligations	-	-	-	-	-
Purchase obligations	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Lease arrangements	-	-	-	-	-
Total	**145.63**	**109.86**	**29.34**	**5.13**	**1.30**

We have guaranteed purchase of certain quantities of tinting machine. In the event we are not able to make the purchases, we 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.

CAPITAL EXPENDITURES

In Fiscal 2018, Fiscal 2019, Fiscal 2020 and in the six months ended September 30, 2020, our capital expenditure towards additions to property, plant and equipment, and intangible assets were ₹ 224.12 million, ₹ 393.72 million, ₹ 712.24 million and ₹ 80.11 million, respectively. In Fiscal 2018, 2019, 2020, and in the six months ended September 30, 2020, our capital expenditure towards additions of tinting machines and gyro shakers were ₹ 149.00 million, ₹ 162.77 million, ₹ 153.54 million, and ₹ 43.61 million, respectively. These amounts include borrowing costs in accordance with Ind AS 23.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to executive Directors and Key Managerial Personnel. For further information relating to our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 266.

AUDITOR's OBSERVATIONS

Other than as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited financial statements as of and for the years ended March 31, 2018, 2019 and 2020, and as of and for the six months ended September 30, 2019 and September 30, 2020.

- The auditor's report on the audited financial statements as of and for the six months ended September 30, 2019 and September 30, 2020, included a matter of emphasis referring to the following note in the audited financial statements which state the impact of COVID-19 on the operations of the Company. The relevant note is set forth below:

  "*COVID-19 pandemic has rapidly spread throughout the world, including India. Government of India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plant and offices had to be closed down for a period of time, during the six months ended September 30, 2020. Lockdowns have impacted on business operation of the Company, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. Management believes that it has taken into account all the possible impacts of known events arising form COVID-19 pandemic in preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realisable value of other assets. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statement*."

- The auditor's report on the audited financial statements as of and for the year ended March 31, 2020 included a matter of emphasis referring to the following note in the audited financial statements which state the impact of COVID-19 on the operations of the Company. The relevant note is set forth below:

  "*World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared a national lockdown on March 24, 2020 and which has been extended from time to time. The Coronavirus significantly impacting on business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closer/ lock down of production facilities etc. The Company is monitoring the situation closely and operations are being resumed in a phased manner considering directives from the Government. The Company has evaluated its liquidity position and recoverability and carrying values of its assets and has concluded that no material adjustments are required at this stage.*"

In addition, the auditors have included a statement on certain matters specified in the Companies (Auditors Report) Order 2016, as amended ("**CARO**"), in terms of sub-section (11) of section 143 of the Companies Act, in their reports included as an annexure to the auditor's report on our audited financial statements as of and for the years ended March 31, 2018, 2019 and 2020. For further information, see "*Restated Financial Statements – Annexure VI – Part C: Non Adjusting Items*" on page 233.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market prices. Market risk includes interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, and FVTPL investments. We have negligible exposure to foreign current risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate on account of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Our policy is to borrow funds at fixed plus floating rate of interest.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including investments, deposits with banks and financial institutions and other financial instruments.

Trade Receivables: Customer credit risk is managed in accordance with our 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.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical trends of recoverability. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supporting information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. We do not hold collateral as security. In Fiscal 2018, Fiscal 2019, Fiscal 2020 and in the six months ended September 30, 2020, our trade receivables were ₹ 967.86 million, ₹ 1,038.47 million, ₹ 1,044.74 million and ₹ 855.70 million, respectively.

Financial instruments and bank deposits: Credit risk from balances with banks, mutual funds is managed in accordance with our policy. Investments of surplus funds are made only with approved counterparties based on limits defined by the management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

Liquidity risk is the risk that we may not be able to meet our present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases. We closely monitor our liquidity position and deploy a robust cash management system. We aim to minimise these risks by generating sufficient cash flows from current operations, which in addition to the available cash and cash equivalents and sufficient committed fund facilities, will provide liquidity. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The carrying amounts are assumed to be reasonable approximation of fair value.

Inflation

In recent years, India has experienced moderate rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" beginning on page 273 and 23, respectively.

KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" beginning on pages 273 and 23, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on sales, revenue or income of our Company from continuing operations.

EXPECTED FUTURE CHANGES IN RELATIONSHIP BETWEEN COSTS AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 23, 154 and 271 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" beginning on pages 154, 127 and 23, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2019 compared to Fiscal 2018*" above on pages 294-297 and 297-299, respectively.

SEGMENT REPORTING

Our business activity falls within a single business segment, i.e. 'Paints' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108 "Operating Segments".

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business exhibits seasonality during monsoons with relative lower revenues recorded during the months of June to August compared to other periods due to the monsoon season. For further information, see " – *Significant Factors Affecting our Results of Operations and Financial Condition – Seasonality and Weather Conditions*" and "*Risk Factors - Our business is subject to seasonal variations and cyclicality that could result in fluctuations in our results of operations.*" on pages 277 and 35, respectively.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Draft Red Herring Prospectus, there have been no significant developments after September 30, 2020 that may affect our future results of operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, in a consolidated manner or (iv) material civil litigation, in each case involving our Company, our Promoters or our Directors (collectively, the "**Relevant Parties**"). Further, except as stated in this section, there are no disciplinary actions including penalty imposed by SEBI or the stock exchanges against our Promoters in the last five Financial Years including outstanding action.*

In relation to (iv) above, our Board in its meeting held on November 5, 2020 has considered and adopted a policy of materiality for identification of material civil litigation. In terms of the materiality policy adopted by our Board, any outstanding litigation involving the Relevant Parties in which the monetary amount of claim by or against the Relevant Party in any such outstanding litigation is in excess of 1% of the profit after tax as per the Restated Financial Statements of the Company for the Financial Year 2019-2020 would be considered material for the Company. Our profit after tax as per the Restated Financial Statements for the Financial Year 2019-2020 was ₹ 478.15 million. Accordingly, the following types of outstanding litigation involving the Relevant Parties have been considered material and disclosed in this section (a) where the aggregate amount involved in such individual litigation exceeds ₹ 4.78 million individually; (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹ 4.78 million; (c) all outstanding litigation filed against the Company, which are winding up petitions under the Companies Act, 2013 or are corporate insolvency resolution petitions under the Insolvency and Bankruptcy Code, 2016, as amended; and (d) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (a) or (b) above, or where the monetary liability is not quantifiable, but where an adverse outcome of such legal proceedings would materially and adversely affect the business, operations, performance, prospects or financial position or reputation of our Company.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 69.30 million, which is 5% of the total trade payables of our Company, as on March 31, 2020, based on the Restated Financial Statements of our Company included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on September 30, 2020, any outstanding dues exceeding ₹ 69.30 million have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory/ regulatory/ governmental/ taxation authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant or respondent in litigation proceedings before any judicial forum.

We have disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims, except for taxation matters which involve an amount exceeding ₹ 4.78 million.

I. Litigation involving our Company

Litigation filed against our Company

a) Actions taken by regulatory or statutory authorities

The Office of Tahsildar, Kanayannur Taluk, Kanayannur, Kochi, Kerala ("**Office of Tahsildar**") issued a notice dated January 24, 2020 under Kerala Building Tax Act, 1975 ("**Kerala Building Tax Act**") summoning presence of the concerned official of our Company and submission of certain documents. Further, the Office of Tahsildar, issued a demand notice/ assessment order dated March 2, 2020 ("**Notice**") levying a building tax aggregating to an amount of ₹ 2.28 million on our Company under the provisions of the Kerala Building Tax Act, in respect of our manufacturing facility in Kochi. Our Company, by way of its responses dated March 19, 2020 and June 19, 2020 to the Notice stated that it is not liable to pay the building tax as it has claimed exemption under Section 3(1)(b) of the Kerala Building Tax Act and levy of aforesaid building tax was done without conducting an inspection to verify our Company's claim for exemption under the Kerala Building Tax Act, 1975 and without calling for any additional records from our Company. Further, our Company also submitted certain additional documents to the Office of Tahsildar by way of its letter dated July 7, 2020. Further, our Company also submitted certain additional documents to the Office of Tahsildar on July 7, 2020 in response to the letter dated June 16, 2020 issued by the Office of Tahsildar requiring submission of certain additional documents for the purposes of claiming such exemption. Additionally, our Company wrote a letter dated March 23, 2020 to General

Manager, District Industries Centre, Kakkanad, Ernakulam, Kochi ("**DIC**"). Further, our Company received a copy of letter dated June 18, 2020 issued by DIC to the Office of Tahsildar informing the Office of Tahsildar that our Company's manufacturing facility in Kochi was eligible for exemption under the Kerala Building Tax Act. The matter is currently pending.

b) Tax proceedings

A summary table of the claims relating to direct and indirect taxes involving our Company is set forth below:

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	3	2.82*
Indirect Tax	9	310.46*
Total	12	313.28*

* *To the extent quantifiable, excluding interest and penalty thereon.*

In addition to the above taxation proceedings, a demand notice/ assessment order was issued to our Company by the Office of Tahsildar, Kanayannur Taluk, Kanayannur, Kochin, Kerala, levying a building tax of ₹ 2.28 million on our Company under the Kerala Building Tax Act, 1975. For further details, see "– *Actions taken by Regulatory or Statutory Authorities*" on pages 307-308.

Material taxation matters against our Company

Out of the above 12 tax matters, following matters individually involve an amount exceeding ₹4.78 million:

1. The Office of the Assistant Commissioner, SGST Department, Special Circle – III, Ernakulam ("ACSD") issued three notices, each dated February 27, 2020, under Section 25(1) of the Kerala Value Added Tax Act, 2003 ("Kerala VAT Act") to Hi-Build (which was amalgamated into our Company with effect from April 19, 2017) for assessment years 2013-14, 2014-15, and 2015-16, respectively, pointing the difference in sales turnover, purchase turnover and inventory amount between Kerala VAT Annual Return and Company's financial statements, which includes Company's operations in Kerala, Tamil Nadu and Karnataka. For assessment year 2013-14, the total tax payable by Hi-Build was ₹ 49.39 million. For assessment year 2014-15, the total tax payable by Hi-Build was ₹ 60.83 million. Further, for assessment year 2015-16, the total tax payable by Hi-Build was ₹ 62.48 million. These matters are currently pending.

2. The Office of the Deputy Commissioner, SGST Department, Special Circle – III, Ernakulam ("DCSD") issued notice dated July 17, 2020, under Section 25(1) of the Kerala VAT Act to Hi-Build (which was amalgamated into our Company with effect from April 19, 2017) for assessment year 2015-16, pointing the various differences based on the verification done by the Department with the aid of their Departmental website KVATIS (Kerala Value Added Tax Information System) with Kerala VAT Audit Report and Kerala VAT Annual Return and pointed the difference in respect of (i) local purchase (ii) inter-state purchase (iii) inter-state stock transfer (in) and (out) (iv) import and check post transactions (v) inter-state purchase return and (vi) input tax claimed on sales return. For the assessment year 2015-16, the total tax payable as per the notice was ₹ 82.74 million. The matter is currently pending.

3. The Office of the Deputy Commissioner, SGST Department, Special Circle - III, Ernakulam ("DCSD") issued two notices dated June 26, 2020 and August 14, 2020, under Section 25(1) of the Kerala VAT Act to Indigo Paints Private Limited for the assessment years 2014-15, and 2015-16 respectively, pointing the various differences based on the verification done by the Department with the aid of their Departmental website KVATIS (Kerala Value Added Tax Information System) with Kerala VAT Audit Report and Kerala Annual Return and pointed the difference in respect of (i) local purchase (ii) inter-state stock transfer (out) (iii) check post transactions (iv) inter-state purchase return and (v) input tax claimed on sales return and also instructed to submit details related to gross loss. For the assessment year 2014-15, the company received the assessment order dated October 8, 2020 as well as demand notice from the Department for the tax amount ₹ 13.70 million and interest amount of ₹ 8.63 million and the Company filed appeal dated October 16, 2020 against such order dated October 8, 2020. For the assessment year 2015-16, the total tax payable as per the notice was ₹ 23.25 million. The matters are currently pending.

4. The Additional Commissioner, Office of the Commissioner of Central Excise & Customs, Cochin issued three show-cause notices dated December 4, 2013, December 3, 2014 and November 26, 2015, respectively and the Assistant Commissioner, Office of the Assistant Commissioner, Central Tax and Central Excise, Kakkanad division, Kochi issued a show-cause notice dated October 6, 2017, in relation to an alleged contravention of provisions CENVAT Credit Rules, 2004 ("CENVAT Rules") by Hi-Build (which was amalgamated into our Company with effect from April 19, 2017) as Hi-Build allegedly availed and utilized ineligible CENVAT credit of service tax paid on the

services of clearing and forwarding agents ("C&F Agents") which appeared to be recoverable under CENVAT Rules. Further, according to the aforesaid show-cause notices, Hi-Build also allegedly took CENVAT credit on input services wrongly and was liable to pay a penalty. Pursuant to an order dated November 26, 2018, the Office of the Assistant Commissioner, Central Tax and Central Excise, Kakkanad division, Kochi disallowed credit of (i) ₹ 1.87 million taken on services of C&F Agents for the period of November 2012 to October 2013 as per the show-cause notice dated December 4, 2013, (ii) ₹ 2.36 million taken on services of C&F Agents for the period of November 2013 to October 2014 as per the show-cause notice dated December 3, 2014; (iii) ₹ 3.13 million taken on services of C&F Agents for the period of November 2014 to October 2015 as per the show-cause notice dated November 26, 2015; and (iv) ₹ 1.42 million taken on services of C&F Agents for the period of November 2015 to March 2016 as per the show-cause notice dated October 6, 2017 and imposed a penalty of ₹ 0.87 million. The total amount involved in the matter is ₹ 8.78 million (excluding penalty) out of which Hi-Build has paid an amount of ₹ 0.66 million on February 15, 2019. Our Company (with which Hi-build was amalgamated with effect from April 19, 2017) has filed an appeal on February 20, 2019 against the order dated November 26, 2018 with the Commissioner (Appeals), Office of Assistant Commissioner of Central Tax and Central Excise, Kakkanad division, Kochi. The matter is currently pending.

Litigation filed by our Company

Criminal proceedings

Our Company has filed 98 complaints against various parties, under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques. The matters are pending at various stages of adjudication before various courts. The aggregate amount involved in these matters is approximately ₹ 19.52 million.

II. Outstanding dues to creditors

Our Board, in its meeting held on November 5, 2020 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Materiality Policy**"). In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of the total trade payables as at March 31, 2020 was outstanding, were considered to be 'material' creditors. As per the Restated Financial Statements, the total trade payables as at March 31, 2020, was ₹ 1,385.90 million and accordingly, creditors to whom outstanding dues exceed ₹ 69.30 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as at September 30, 2020 by our Company are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	79	357.17
Other creditors	562	572.07
Total	641	929.24

As on September 30, 2020, the Company does not have any material creditor in accordance with the Materiality Policy.

The details pertaining to outstanding dues to creditors are available on the website of our Company at https://indigopaints.com/investor/announcements.

III. Material Developments

Other than as stated in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 306, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

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GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company can undertake this Offer and its business activities, as applicable. In addition, certain of our Material Approvals may have lapsed or expired or may lapse in their normal course and our Company has either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal applications in accordance with applicable requirements and procedures. Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus.*

We have also disclosed below the Material Approvals applied for, including renewal applications made, but not received.

For further details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 174.

I. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 312.

II. Material Approvals

1. Consents and authorisations issued by the central and state pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 including consent to establish (NOC), consent to operate and authorisation for management and handling of hazardous and other waste;

2. Licences to work a factory issued by the states and certificates of stability under the Factories Act, 1948 and the relevant rules framed thereunder for all our factories;

3. Certificate of registration issued by the Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs, Legal Metrology Division under the Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011; and

4. No-objection certificates/ fire service licenses, from fire safety authorities for all our factories.

III. Certain other Material Approvals

1. Certificates of incorporation issued by the RoC. For details of certificates of incorporation, see "*History and Certain Corporate Matters*" beginning on page 177 and "*General Information*" beginning on page 63;

2. PAN and TAN, issued by the Income Tax Department under the IT Act;

3. GST and professional tax registrations have been obtained by our Company for the states where applicable; and

4. Certificate of Importer Exporter Code issued by the Ministry of Commerce and Industry, Government of India to our Company.

IV. Other approvals

In addition to the above, our Company has also obtained registrations for various employees, trade license and shops and establishments related laws, including the Contract Labour (Regulation and Abolition) Act, 1970, Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948.

V. Material Approvals applied for, including renewal applications made, but not received

1. Applications dated January 7, 2020 filed with the Office of Chief Fire Officer, Jodhpur Municipal Corporation for fire no-objection certificates for our factory in Jodhpur;

2. Application filed with the Commissioner, Madurai Municipal Commissioner for registration under the relevant shops and establishments legislation for our depot in Madurai;

3. Application dated September 25, 2020 filed with the Labour Commissioner Organization, Uttarakhand for registration

under the relevant shops and establishments legislation for our depot in Dehradun;

4. Application dated February 21, 2020 filed with the Office of the Registering Officer, Government of Kerala for registration under the Contract Labour (Regulation and Abolition) Act, 1970 for our factory in Kochi;

5. Application dated October 17, 2020 filed with the Chief Inspector of Factories, Government of Kerala for renewal of license to work a factory under the Factories Act, 1948 for our factory in Kochi;

6. Application dated October 15, 2020 filed with the Deputy Chief Inspector of Factories, Government of Tamil Nadu for renewal of license to work a factory under the Factories Act, 1948 for our factory in Pudukkottai;

7. Application dated November 2, 2020 filed with District Fire Officer, Pudukkottai for renewal of fire license for our factory in Pudukkottai; and

8. Application dated November 2, 2020 filed with Station Officer, Fire and Rescue Station, Eloor, Government of Kerala for renewal of fire no-objection certificate for our factory in Kochi.

VI. Approvals applied for in relation to our objects of the Offer i.e. proposed expansion of our Pudukkottai manufacturing facility by setting up of an additional unit adjacent to the existing facility

1. Application dated November 3, 2020 filed with the President, Panampatti Panchayat, Pudukkottai for permission to set up a water-based emulsion paint manufacturing factory on land in SF No. 17/2A measuring 10.94 acres in Panampatti village;

2. Application dated November 3, 2020 filed with the President, Vellanur Panchayat, Kulathur Taluk, Pudukkottai for permission to set up a water-based emulsion paint manufacturing factory on land in SF No. 325/1, 325/5 measuring 5.77 acres in Vellanur village;

3. Application dated November 3, 2020 filed with the Tamil Nadu Pollution Control Board for consent to establish under Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974;

4. Application dated November 3, 2020 filed with Joint Director of Industrial Safety and Health, Thanjavur for permission to construct, extend or take into use any building as a factory and application dated November 3, 2020 filed with Director, Industrial Safety and Health, Chennai for approval of drawings for the proposed expansion in order to get a license to work a factory under the Factories Act, 1948;

5. Application dated November 4, 2020 filed with the District Fire Officer, Pudukkottai for fire approval; and

6. Application dated November 6, 2020 filed with the Directorate of Town and Country Planning, Tamil Nadu for in-principle approval of building layout.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Fresh Issue pursuant to the resolution passed at its meeting held on September 29, 2020. Further, our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on October 7, 2020 under Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on November 5, 2020.

The Offer for Sale has been authorised by the Selling Shareholders as follows:

S. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's Consent Letter	Date of corporate authorisation/board resolution
Investor Selling Shareholders				
1.	Sequoia IV*	2,005,000	October 30, 2020	October 30, 2020
2.	SCII V#	2,165,000	October 30, 2020	October 30, 2020
Promoter Selling Shareholder				
3.	Hemant Jalan	1,670,000	October 29, 2020	-

**The Equity Shares proposed to be offered by Sequoia IV will include a portion of the Equity Shares which will result upon conversion of 69,904 Series A1 CCCPS, 46,586 Series A2 CCCPS, and 7,455,360 Series C CCCPS held by Sequoia IV. The conversion of Series A1 CCCPS, Series A2 CCCPS, and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

#The Equity Shares proposed to be offered by SCII V will include a portion of the Equity Shares which will result upon conversion of 130,865 Series B CCCPS and 8,375,360 Series C CCCPS held by SCII V. The conversion of Series B CCCPS and Series C CCCPS will be completed prior to filing the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and persons in control of our Promoters and the Selling Shareholders, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital markets by SEBI.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Directors associated with the Securities Market

Our Director, Sunil Goyal, is also a director on the board of directors of Ladderup Corporate Advisory Private Limited and our Director, Nupur Garg is also a director on the board of directors of Small Industries Development Bank of India, each of which are SEBI registered entities. Accordingly, Sunil Goyal and Nupur Garg are associated with the securities market.

There have been no actions initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Each of the Selling Shareholders, severally and not jointly, has confirmed that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to it, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company confirms that it is not ineligible to make the Offer in terms of the SEBI ICDR Regulations, to the extent applicable.

Other than the outstanding Series A1 CCCPS, Series A2 CCCPS, Series B CCCPS and Series C CCCPS, and the options granted pursuant to ESOS 2014 and ESOS 2019, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Selling Shareholders has, severally and not jointly, confirmed that it has held its respective portion of Offered Shares for a period of at least one year prior to the date of this Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Statements:

(a) Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

(b) Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

(d) Our Company has not changed its name within the last one year, except for conversion from private limited company to public limited company.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth, derived from the Restated Financial Statements included in this Draft Red Herring Prospectus for the last three Financial Years, are set forth below:

(*₹ in million, unless otherwise stated*)

	Financial Year ended March 31, 2020	**Financial Year ended March 31, 2019**	**Financial Year ended March 31, 2018**
Net tangible assets, as restated(1)	1,453.01	874.41	765.21
Monetary assets, as restated(2)	56.84	140.23	46.43
Monetary assets(2), as a percentage of net tangible assets(1), as restated	3.91%	16.04%	6.07%
Restated operating profit(3)	713.78	367.33	154.62
Net worth, as restated(4)	1,970.53	1,474.63	1,274.61

(1) *Net tangible assets means the sum of all the assets of our Company excluding goodwill, intangible assets and right of use assets reduced by total liabilities excluding deferred tax liability (net) of the Company;*

(2) *Monetary assets means cash and cash equivalents and bank balances other than cash and cash equivalents (excludes bank deposits with remaining maturity of more than twelve months);*

(3) *Restated operating profit means restated profit before tax excluding other income and finance expense; and*

(4) *As per Regulation 2(1)(hh) of the SEBI ICDR Regulations, 'net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;*

(5) *The average operating profit for these Fiscals is ₹ 411.91 million based on Restated Financial Statements.*

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate not more than 50% of the Net Offer to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL

SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, EDELWEISS FINANICAL SERVICES LIMITED AND ICICI SECURITIES LIMITED AND HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 11, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and Book Running Lead Managers

Our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.indigopaints.com, or the respective websites of the members of the Promoter Group and affiliates, would be doing so at his or her own risk.

Each of the Selling Shareholders, its respective directors, partners, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by such Selling Shareholder in relation to itself and its respective portions of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders (to the extent that the information pertain to its and its respective portions of the Offered Shares) and the Book Running Lead Managers to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, only.

Bidders eligible under Indian law to participate in the Offer

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Non-debt Instruments Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however constitute an invitation to subscribe to shares offered hereby in any jurisdiction, other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:
   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.
10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to

it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:
   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.
9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a "**Relevant Member State**"), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

a. to any legal entity which is a qualified investor as defined under the Prospectus Directive;
b. to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the BRLMs; or
c. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for our Company, the Selling Shareholders or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the BRLMs and our Company and the Selling Shareholders that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

Our Company, each of the Selling Shareholders, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Draft Red Herring Prospectus is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129).

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. [•] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus and each of the Selling Shareholders will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to such Selling Shareholder and to the extent of its respective portion the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date. Further, each of the Selling Shareholders confirms that it shall provide reasonable assistance to our Company, and the Book Running Lead Managers, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, to the extent of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Except for listing fees which shall be solely borne by our Company, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and each of the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by each of the Selling Shareholders in the Offer for Sale, respectively. However, in the event that the Offer is withdrawn by our Company or not completed for any reason whatsoever, all the Offer related expenses will be solely borne by our Company. Upon successful completion of the Offer, any payments by our Company in relation to the Offer expenses on behalf of any of the Selling Shareholders shall be reimbursed by such Selling Shareholder to our Company inclusive of taxes.

Consents

Consents in writing of each the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal advisors, the Book Running Lead Managers, the Registrar to the Offer, Frost & Sullivan Research, independent chartered accountant have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s), Refund Bank(s) and Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 11, 2020 from S R B C & CO LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated November 5, 2020 on our Restated Financial Statements; and (ii) their report dated November 8, 2020 on the statement of possible special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated November 6, 2020, from the independent chartered engineer, namely Philip Kuriakose (registration number: M122505-1), to include his name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his two certificates, each dated November 6, 2020, certifying the capacity utilisation of the manufacturing facility at Kochi for liquid paints (comprising emulsion paints, primers and other products, as applicable) and the capacity utilisation of the manufacturing facility at Pudukkottai for liquid paints (comprising enamels, primers, wood coatings and others, as applicable) and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated November 6, 2020, from the independent chartered engineer, namely Satendra Singh Yadav (registration number: M-1548217), to include his name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his certificate dated November 6, 2020 certifying the capacity utilisation of the manufacturing facilities at Jodhpur for liquid paints (comprising emulsion paints, distempers and primers) and powder paints and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated November 9, 2020 from an independent architect, namely, A. Lokhandwalla (membership no. CA/78/4430) and an independent certified engineer, namely, Satish Patankar (registration no. M1Z6575-4) to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an architect and as a certified engineer, respectively, in relation to the certificate dated November 9, 2020 issued by them, for and on behalf of EVL Consultants LLP, a project consultancy firm, certifying, among others, the capacity of the plant to be installed, proposed schedule of implementation, details of civil works, in relation to the proposed expansion of the existing manufacturing facility at Pudukkottai and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by our Company

Except as disclosed in "*Capital Structure – Notes to the capital structure*" on pages 71-75, our Company has not made any capital issues during the previous three years.

Particulars regarding public or rights issues during the last five years

Except as disclosed in "*Capital Structure – Notes to the capital structure*" on pages 71-75, our Company has not made any rights issues during the last five years. Our Company has not made any public issues during the last five years.

Performance vis-à-vis Objects

Except as disclosed in "*Capital Structure – Notes to the capital structure*" on pages 71-75, our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not made any public issues in the five years preceding the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in last five years

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

Price information of past issues handled by the Book Running Lead Managers (during the current Fiscal and two Fiscals preceding the current Fiscal)

A. Kotak Mahindra Capital Company Limited

1. Price information of past issues handled by Kotak Mahindra Capital Company Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	UTI Asset Management Company Limited	21,598.84	554	October 12, 2020	500.00	-10.43%[+5.87%]	-	-
2.	Computer Age Management Services Limited	22,421.05	1,230[1]	October 1, 2020	1,518.00	+5.43% [+1.97%]	-	-
3.	SBI Cards and Payment Services Limited	103,407.88	755[2]	March 16, 2020	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	+12.50%[+24.65%]
4.	Ujjivan Small Finance Bank Limited	7,459.46	37[3]	December 12, 2019	58.75	+41.08% [+2.38%]	+10.27% [-12.70%]	-16.62% [-15.07%]
5.	Polycab India Limited	13,452.60	538[4]	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70% [-1.99%]	+23.76% [-4.09%]
6.	Metropolis Healthcare Limited	12,042.88	880	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39% [-1.18%]	+45.93% [-3.30%]
7.	CreditAccess Grameen Limited	11,311.88	422	August 23, 2018	390.00	-21.16% [-3.80%]	-14.91% [-8.00%]	-5.71% [-8.13%]
8.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.04% [+1.17%]	+30.61% [-7.32%]	+23.78% [-4.33%]
9.	TCNS Clothing Co. Limited	11,251.25	716	July 30, 2018	716.00	-9.29% [+3.70%]	-19.74% [-11.39%]	-1.00% [-4.76%]
10.	Varroc Engineering Limited	19,549.61	967[5]	July 6, 2018	1,015.00	+1.62% [+5.46%]	-7.29% [+0.79%]	-24.01% [+1.28%]

Source: www.nseindia.com and www.bseindia.com

Note:

1.In Computer Age Management Services Limited, the issue price to eligible employees was ₹ 1,108 after a discount of ₹ 122 per equity share

2.In SBI Cards and Payment Services Limited, the issue price to eligible employees was ₹ 680 after a discount of ₹ 75 per equity share

3.In Ujjivan Small Finance Bank Limited, the issue price to eligible shareholders of Ujjivan Financial Services Limited was ₹ 35 per equity share

4.In Polycab India Limited, the issue price to employees was ₹ 485 after a discount of ₹ 53 per equity share.

5.In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.

6.In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.

7.The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.

8.Nifty is considered as the benchmark index, except for Computer Age Management Services Limited where SENSEX is considered as the benchmark index.
9.Restricted to last 10 equity initial public issues.

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited:

3. Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	2	44,019.89	-	-	1	-	-	1	-	-	-	-	-	-
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2
2018-19	4	70,116.05	-	-	2	1	-	1	-	-	3	-	-	1

** The information is as on the date of this Draft Red Herring Prospectus*

Note:

1.The information for each of the financial years is based on issues listed during such financial year.

B. Edelweiss Financial Services Limited

1. Price information of past issues handled by Edelweiss Financial Services Limited:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Equitas Small Finance Bank	5,176.00	33.00	November 2, 2020	31.10	Not Applicable	Not Applicable	Not Applicable
2.	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	18.90% [5.87%]	Not Applicable	Not Applicable
3.	Angel Broking Limited	6,000.00	306.00	October 5, 2020	275.00	-2.32% [2.70%]	Not Applicable	Not Applicable
4.	Route Mobile Limited	6,000.00	350.00	September 21, 2020	717.00	105.81% [5.74%]	Not Applicable	Not Applicable
5.	Prince Pipes and Fittings Limited	5,000.00	178.00	December 30, 2019	160.00	0.14% [-1.63%]	-44.33% [-29.34%]	-35.00% [-15.28%]
6.	IndiaMART InterMESH Limited	4,755.89	973.00**	July 4, 2019	1180.00	26.36% [-7.95%]	83.82% [-4.91%]	111.64% [2.59%]
7.	Polycab India Limited	13,452.60	538.00^	April 16, 2019	633.00	15.36% [-5.35%]	14.70% [-1.99%]	23.76% [-4.09%]
8.	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	-19.32% [1.76%]	2.42% [3.67%]	38.82% [12.74%]
9.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	35.20% [2.56%]	50.21% [1.90%]
10.	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	-44.39% [7.92%]

Source: www.nseindia.com

^Polycab India Limited – employee discount of ₹53 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹538 per equity share

*** IndiaMART InterMESH Limited - A discount of ₹ 97 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹973 per equity share.*

Note:

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
4. *The Nifty 50 index is considered as the benchmark index.*
5. *Not Applicable. – Period not completed.*

2. **Summary statement of price information of past issues handled by Edelweiss Financial Services Limited:**

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21*	4	21,612.86	-	-	1	1	-	1	-	-	-	-	-	-
2019-20	3	23,208.49	-	-	-	-	1	2	-	1	-	1	-	1
2018-19	3	57,206.02	-	1	1	-	-	1	-	1	-	1	1	-

* For the financial year 2020-21- 4 issues have been completed. However, only 3 have completed 30 days.

Note:

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

C. ICICI Securities Limited

1. Price information of past issues handled by ICICI Securities Limited (during the current Fiscal and two Fiscals preceding the current financial year):

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	IndiaMart InterMesh Ltd	4,755.89	973.00(1)	04-Jul-19	1,180.00	+26.36%,[-7.95%]	+83.82%,[-4.91%]	+111.64%,[+2.59%]
2.	Affle (India) Limited	4,590.00	745.00	08-Aug-19	926.00	+13.09%,[-0.78%]	+86.32%,[+8.02%]	+135.49%,[+6.12%]
3.	Spandana Sphoorty Financial Limited	12,009.36	856.00	19-Aug-19	824.00	-0.56%,[-2.14%]	+52.76%,[+7.61%]	+17.32%,[+9.59%]
4.	Sterling and Wilson Solar Limited	28,496.38	780.00	20-Aug-19	706.00	-21.88%,[-1.60%]	-48.63%,[+7.97%]	-64.78%,[+9.95%]
5.	Rossari Biotech Limited	4,962.50	425.00	23-July-20	669.25	+87.25%,[+1.39%]	+86.59%,[+6.08%]	NA*
6.	Happiest Minds Technologies Limited	7,020.20	166.00	17-Sep-20	350.00	+96.05%,[+2.14%]	NA*	NA*
7.	Route Mobile Limited	6,000.00	350.00	21-Sep-20	717.00	+105.81%,[+5.74%]	NA*	NA*
8.	Computer Age Management Services Limited	22,421.05	1,230.00(2)	01-Oct-20	1,518.00	+5.52%,[+1.97%]	NA*	NA*
9.	Angel Broking Limited	6,000.00	306.00	05-Oct-20	275.00	-2.32%,[+2.70%]	NA*	NA*
10.	UTI Asset Management Company Limited	21,598.84	554.00	12-Oct-20	500.00	-10.43%,[+5.87%]	NA*	NA*

**Data not available.*

(1) Discount of ₹97 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹973.00 per equity share.

(2) Discount of ₹ 122 per equity share offered to eligible employees All calculations are based on Issue Price of ₹1,230.00 per equity share.

Notes:

1. *All data sourced from www.nseindia.com, except for Computer Age Management Services Limited for which the data is sourced from www.bseindia.com.*
2. *Benchmark index considered is NIFTY.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.*

2. **Summary statement of price information of past issues handled by ICICI Securities Limited:**

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21*	6	68,002.59	-	-	2	3	-	1	-	-	-	-	-	-
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	1	1

** This data covers issues upto YTD.*

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Edelweiss Financial Services Limited	www.edelweissfin.com
3.	ICICI Securities Limited	www.icicisecurities.com

Redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Offer to the Book Running Lead Managers.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company shall obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.Our Company has also appointed Sujoy Bose, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 63.

Disposal of Investor Grievances by our Company

Our Company has constituted a Stakeholders' Relationship to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "*Our Management – Stakeholders' Relationship Committee*" on pages 194-195.

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the MoA, the AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

Ranking of Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares in the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of the Allotment. For further details, see "*Main Provisions of Articles of Association*" beginning on page 353.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, 2013 the Memorandum of Association and the Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 205 and 363, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot, will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on pages 115-117.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act, 2013;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013 the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, etc., see "*Main Provisions of Articles of Association*" beginning on page 363.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form and trading of the Equity Shares shall also only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated July 30, 2019 amongst our Company, NSDL and the Registrar to the Offer.
- Tripartite agreement dated October 8, 2020 amongst our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, and the rules framed thereunder, the Sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only in the prescribed form available on request at our Registered and Corporate Office or to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and each of the Selling Shareholder reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RIB's using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC. If our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)]

(1) *Our Company in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)

Submission and Revision in Bids	Only between 10:00 a.m. and 5:00 p.m. Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10:00 a.m. and 3:00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision in Bids will be accepted only during Working Days.

None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Managers and on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days, as applicable, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of achieving aforesaid minimum subscription, however, there is under-subscription in achieving the total Offer size, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;
(ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and

(iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion;

No liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of its portion of the Offered Shares. Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 71 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of Articles of Association*" beginning on page 363.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating to ₹ 3,000 million by our Company and an Offer for Sale of up to 5,840,000 Equity Shares aggregating to ₹[●] million, comprising up to 2,005,000 Equity Shares aggregating to ₹ [●] million by Sequoia IV, 2,165,000 Equity Shares aggregating to ₹ [●] million by SCII V and up to 1,670,000 Equity Shares aggregating to ₹ [●] million by the Promoter Selling Shareholder.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 10 each.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed *	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹ 200,000, subject to total Allotment to an Eligible Employee not exceeding ₹ 500,000	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid	Proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 337.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 500,000	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(3)	Eligible Employees (such that the Bid Amount does not exceed ₹ 500,000)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process (except for Anchor Investors)			

** Assuming full subscription in the Offer.*

 # Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Further, an Eligible Employee Bidding in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

(1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary

basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.*

(3) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on pages 341-342 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI Mechanism.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Our Company, the Selling Shareholders and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIBs. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

All ASBA Bidders must provide either, (i) bank account details and authorisation to block funds in the ASBA Form; or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and members of the Promoter Group of our Company, the Book Running Lead Managers and the Syndicate Members

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the

Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associates of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Managers.

Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an associate of the Book Running Lead Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that such Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Regulations.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 352. Participation of Eligible NRIs shall be subject to the FEMA Regulations.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route).

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager ("**MIM**") structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Instruments Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their respective corpus in one investee company. A category III AIF cannot invest more than 10% of its corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, ("**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act;, (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves. The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para (i) above.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, AIFs, Mutual Funds, NBFC – SI, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be attached with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" beginning on page 334.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹ 500,000 on a net basis.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" beginning on page 337.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer;

8. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than RIBs bidding using the UPI Mechanism);

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

22. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

27. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders) and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account;

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the GIR number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit a Bid using UPI ID, if you are not a RIB;

20. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;

21. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category;

22. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

25. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are RIB and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

26. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID; and

27. Do not Bid if you are an OCB;

28. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

29. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

30. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" beginning on page 63.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the Book Running Lead Managers and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Net Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the Book Running Lead Managers, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price which shall be a date prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

1. adequate arrangements shall be made to collect all Bid cum Application Forms;

2. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

3. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with the Book Running Lead Managers within such period as may be prescribed under applicable law;

4. if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

5. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

6. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

7. compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

8. Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and

9. Except for Equity Shares that may be allotted pursuant to the (i) exercise of vested employee stock options granted under the ESOS 2014 or ESOS 2019 and (ii) conversion of Preference Shares and the Equity Shares allotted pursuant to the Offer, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder undertakes, severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares that:

1. the Equity Shares offered by it in the Offer for Sale are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations and shall be in dematerialized form at the time of transfer;

2. it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;

3. it shall provide such reasonable assistance to our Company and the Book Running Lead Managers in redressal of such investor grievances in relation to its respective Offered Shares and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;

4. it shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable); and

5. it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price will be taken by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.

Only the statements and undertakings in relation to each of the Selling Shareholders and its portion of the Equity Shares offered in the Offer for Sale which are specifically "confirmed" or "undertaken" by it in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Offer Proceeds

Our Board certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested. Our Company confirms and declares that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub section 3 of Section 40 of the Companies Act, 2013.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Government has from time to time made policy pronouncements on foreign direct investment ("FDI") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, *earlier known as* Department of *Industrial Policy and Promotion* ("DPIIT") issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted in the sector of "Manufacturing", which includes manufacture of chemicals and chemical products. For details, see "*Key Regulations and Policies*" on page 174.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For further details, see "*Offer Procedure*" beginning on page 337.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles of Association of our Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of Equity Shares pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All provisions of Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by its Shareholders.

PART A

Authorised Share Capital

Article 2.1 provides that, "The authorized share capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company."

Shares at the Disposal of the Directors

Article 2.2 provides that, "Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors deem fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issue as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the approval of the Company in the General Meeting."

Share Certificates

Article 2.3 provides that,

(i) "Unless the shares have been issued in dematerialized form in terms of applicable laws, every person whose name is entered as a Member in the Register of Members shall be entitled to receive within 2 (two) months from the date of the allotment or within 1 (one) month after the application for the registration of transfer, sub-division, consolidation, renewal or transmission or within such other period as the conditions of issue shall be provided, —

    (a) one certificate for all his shares without payment of any charges; or

    (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by 2 (two) Directors or by a Director and the company secretary.

(iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may approve."

Article 2.4 provides that,

(i) “If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under any other act or rules applicable in this behalf.

(ii) The provisions of the Article shall mutatis mutandis apply to debentures of the Company.”

Underwriting & Brokerage

Article 2.6 provides that,

(i) “The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.”

Article 2.7 provides that,

(i) “If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.”

Article 2.8 provides that, “The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.”

Article 2.9 provides that, “Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by Special Resolution, determine.”

Further issue of Share Capital

Article 3 provides that, “Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such shares shall be offered, subject to the provisions of Section 62 of the Act, and the rules made thereunder:

(a) to the person(s) who, at the date of the offer, are holders of the Equity Shares, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the Directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

(d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company; or

(e) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or

(f) to any person(s), whether or not those persons include the persons referred to in the clauses above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed under the Act and the rules made thereunder, if a Special Resolution to this effect is passed by the Company in a General Meeting."

Term of issue of Debentures

Article 4.1 provides that, "Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution."

Lien

Article 5.1 provides that,

(i) "The Company shall have a first and paramount lien—

(a) on every share/ debenture (not being a fully paid share/ debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/ debenture; and

(b) on all shares/ debentures (not being fully paid shares/ debentures) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that in respect of any partly paid shares/ debentures of our Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures.

Provided that the Board of Directors may at any time declare any share/ debenture to be wholly or in part exempt from the provisions of this clause. Unless otherwise agreed, the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures.

(iii) The Company's lien, if any, on a share/ debenture shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures."

Article 5.2 provides that, "The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency."

Article 5.4 provides that,

(i) "The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale."

Calls on Shares

Article 6.1 provides that,

(i) "The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

(ii) Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board."

Article 6.2 provides that, "A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments."

Article 6.3 provides that, "The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Article 6.4 provides that,

(i) "If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 6.5 provides that,

(i) "Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Article 6.6 provides that, "The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable."

Article 6.7 provides that, "The Board—

(a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him beyond the sums actually called for; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the Member paying the sum in advance provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures."

Transfer of Shares

Article 7.1 provides that,

(i) “The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

(ii) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to register transfer

Article 7.2 provides that,

“Subject to the provisions of the Act, these Articles and any other applicable provisions of any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided further that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Subject to these Articles, the Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.”

Article 7.3 provides that,

“The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.”

Article 7.4 provides that, “No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.”

Article 7.5 provides that,

“On giving not less than 7 (seven) days’ previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.”

Transmission of Shares

Article 8.1 provides that,

(i) “On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.”

Article 8.2 provides that,

(i) “Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent Member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.”

Article 8.3 provides that,

(i) “If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.”

Article 8.4 provides that, “A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.”

Forfeiture of Shares

Article 9.1 provides that, “If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.”

Article 9.4 provides that,

(i) “A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.”

Article 9.5 provides that,

(i) “A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.”

Article 9.7 provides that, “The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.”

Alteration of Capital

Article 9.8 provides that, “The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.”

Article 9.9 provides that, "Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution, —

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;

(iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person."

Buy-Back of Shares

Article 11.1 provides that, "Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities."

Borrowing Powers

Article 12.1 provides that, "The Board may, from time to time, subject to the provisions of Sections 73 and 179 of the Act and rules therein, raise or borrow any sums of money for and on behalf of the Company from the Members or from other persons, companies or banks. Directors may also advance monies to the Company on such terms and conditions as may be approved by the Board.

Article 12.2 provides that, "The Board may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit."

General Meetings

Article 13.1 provides that, "An Annual General Meeting shall be held in each calendar year within 6 (six) months following the end of the previous financial year of the Company. The Board of Directors shall issue the notice of Annual General Meeting together with the annual financial statement, auditors report and other annexures as required under the Act to all Shareholders and others entitled to receive such notice at least 21 (twenty-one) clear days before the Annual General Meeting is held to approve and adopt the audited financial statements.

Article 13.2 provides that, "All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting."

Article 13.3 provides that, "The Board may, whenever it thinks fit, call an Extraordinary General Meeting."

Article 13.4 provides that, "Annual General Meetings and Extraordinary General Meetings may be called after giving shorter notice as per the Act."

Article 13.5 provides that, "If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any 2 (two) Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board."

Proceedings at General Meetings

Article 14.1 provides that, "No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business."

Article 14.2 provides that, "Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

Article 14.3 provides that, "The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the company."

Article 14.4 provides that, "If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their Members to be chairperson of the meeting.

Article 14.5 provides that, "If at any meeting no Director is willing to act as chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be chairperson of the meeting."

Adjournment of Meeting

Article 15.1 provides that,

(i) "The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting."

Voting Rights

Article 16.1 provides that, "Subject to any rights or restrictions for the time being attached to any class or classes of shares—

(a) on a show of hands, every Member present in person shall have one vote; and

(b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

Article 16.2 provides that, "A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once."

Article 16.3 provides that,

(i) "In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

Article 16.4 provides that, "A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy."

Article 16.5 provides that, "Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll."

Article 16.6 provides that, "No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid."

Article 16.7 provides that,

(i) "No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive."

Proxy

Article 17.1 provides that, "The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid."

Article 17.2 provides that, "An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act."

Article 17.3 provides that, "A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used."

Board of Directors

Article 18.1 provides that, "Unless otherwise determined by General Meeting, the number of Directors shall not be less than 3 (three) and not more than 15 (fifteen), and at least 1 (one) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than 15 (fifteen) Directors after passing a Special Resolution."

Article 18.2 provides that, "So long as the Investors collectively hold more than or equal to 10% (ten percent) of the post-issue Equity Share capital of the Company on a fully diluted basis, the Investors (jointly) will have a right to nominate 1 (one) Director ("**Investor Director**") subject to approval of the Members of the Company by way of a Special Resolution in the first General Meeting held post the listing of the Equity Shares on the Exchanges and applicable law."

Article 18.3 provides that,

(i) "The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day."

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—

    (a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or

    (b) in connection with the business of the Company."

Article 18.4 provides that, "The Board may pay all expenses incurred in getting up and registering the Company."

Article 18.5 provides that, "The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register."

Article 18.6 provides that, "All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine."

Article 18.7 provides that, "Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose."

Article 18.8 provides that,

(i) "Subject to the provisions of Section 161 of the Act, the Board, Directors, as applicable, shall have power at any time, and from time to time, to appoint a person as an additional director, alternate director or a nominee director provided the number of the Directors along with Directors appointed together shall not at any time exceed the maximum strength fixed for the Board by these Articles.

(ii) An additional director shall hold office only up to the date of the next annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act."

Proceedings of the Board

Article 19.1 provides that,

(i) "The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

Article 19.2 provides that, "Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes."

Article 19.3 provides that, "The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose."

Article 19.4 provides that,

(i) "The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting."

Article 19.5 provides that,

(i) "The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board."

Article 19.6 provides that,

(i) "A committee may elect a chairperson of its meetings.

(ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting."

Article 19.7 provides that,

(i) "A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present."

Article 19.8 provides that "All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director."

Article 19.9 provides that, “Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.”

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Article 20.1 provides that, “Subject to the provisions of the Act:

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Article 20.2 provides that, “A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.”

Dividends and Reserve

Article 21.1 provides that, “The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.”

Article 21.2 provides that, “Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.”

Article 21.3 provides that,

(i) “The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 21.4 provides that,

(i) “Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.”

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Article 21.5 provides that, “The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.”

Article 21.6 provides that,

(i) “Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent."

Article 21.7 provides that, "Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share."

Article 21.8 provides that, "Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act."

Article 21.9 provides that, "Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 (seven) days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend Account".

Article 21.10 provides that, "Any money transferred to the "Unpaid Dividend Account" of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub-section (1) of Section 125 of the Act."

Article 21.11 provides that, "No unclaimed or unpaid dividend shall be forfeited by the Board before it becomes barred by law."

Article 21.12 provides that, "No dividend shall bear interest against the Company."

Accounts

Article 22.1 provides that,

(i) "The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

(ii) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting."

Winding Up

Article 23.1 provides that, "Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability."

Indemnity

Article 24.1 provides that, "Every Officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings relating to acts or omissions by or on behalf of the Company, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal."

General Power

Article 26.2 provides that, "At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the provisions of the Act and the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Act and the Listing Regulations, from time to time."

Part B

1. REGULATIONS OF THE COMPANY

The Regulations contained in Table F of Schedule I to the Companies Act, 2013 shall apply to all matters to which they pertain, except as impliedly or expressly modified by what is contained in these Articles *(as defined hereinafter).* In the event of any conflict between the provisions contained in Table F of Schedule I of the Act (*as defined hereinafter*) and the Articles, the regulations contained in these Articles shall prevail.

2. DEFINITIONS & INTERPRETATION.

2.1 **DEFINITIONS**. Except as otherwise provided in these Articles, the following definitions shall apply:

(a) "**Act**" shall mean the Companies Act, 2013, along with the relevant rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, including any statutory modification or amendment thereto or re-enactment thereof, together with the rules and regulations framed thereunder;

(b) "**Affiliate**" of a Person (as defined below) (the "**Subject Person**") shall mean (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls (as defined below), is Controlled by or is under common Control (as defined below) with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person (as defined below), shall include a Relative (as defined below) of such Subject Person. For the purpose of this definition, an Affiliate shall, in relation to the Investors, include the investment manager or investment advisor of the Investors and any investment fund or special purpose vehicle that is Controlled by, Controls, or is under common Control with the Investors, or shares the same investment manager or investment advisor;

(c) "**Affirmative Vote Matter**" shall have the meaning given to the term under Article 5.19 read with Annexure A of these Articles;

(d) "**Annual Budget**" means the budget for a Financial Year of the Company in relation to sales budget, revenue and operating expenditure, cash flow, capital expenditure and key financial ratios;

(e) "**Appointment Date**" shall have the meaning ascribed to it in Article 111(b);

(f) "**Articles of Association**" or "**Articles**" shall mean the articles of association of the Company, as amended from time to time;

(g) "**Assets**" shall mean any assets or properties of every kind, nature, character, and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person (as defined below), including cash, cash equivalents, receivables, securities, accounts and notes receivable, real estate, plant and machinery, equipment, trademarks, brands, other Intellectual Property, raw materials, inventory, finished goods, furniture, fixtures and insurance;

(h) "**Benchmark Price**" shall mean a price that is equal to the FMV (as defined in Article 11.1(b);

(i) "**Big Five Firm**" shall mean KPMG, PricewaterhouseCoopers, Ernst & Young, Deloitte Touche Tohmatsu, Grant Thornton and/or their affiliates eligible to practice in India, as per applicable Law;

(j) "**Board**" or "**Board of Directors**" shall mean the board of directors of the Company;

(k) "**Board Meeting**" shall mean a meeting of the Board duly convened in accordance with the Act, the Charter Documents (as defined below) and these Articles;

(l) "**Business**" shall mean the business of the Company.

(m) "**Business Day**" shall mean a day on which scheduled commercial banks are open for business in Pune, India and Mauritius;

(n) "**Business Plan**" shall mean, in relation to any Financial Year, the annual business plan of the Company approved by the Board;

(o) "**Capital Restructuring**" shall have the meaning given to the term under Article 9.1 (c) (iii) (C);

(p) "**Charter Documents**" shall mean collectively the Memorandum (as defined below) and the Articles;

(q) "**Chartered Accountants**" shall mean chartered accountant(s) as defined in clause (b) of sub-section (1) of Section 2 of the Chartered Accountants Act, 1949 and who have obtained certificates of practice under sub-section (1) of Section 6 of the Chartered Accountants Act, 1949;

(r) "**Claims**" shall mean any losses, Liabilities (as defined below), claims, damages, costs and expenses, including legal fees and disbursements in relation thereto;

(s) "**Company**" shall mean Indigo Paints Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune 411 045, Maharashtra, India;

(t) "**Control**" shall mean the power to direct the management or policies of any Person, whether through the ownership of over 50% (fifty per cent) of the voting power of such Person, through the power to appoint more than half of the Board of Directors or similar governing body of such entity, through contractual arrangements or otherwise;

(u) "**Conversion Price**" shall have the meaning ascribed to it in Article 9.1(c);

(v) "**Dilutive Issuance**" shall have the meaning ascribed to it in Article 9.1(c);

(w) "**Director**" shall mean a director on the Board;

(aa) "**Drag Along Notice**" shall have the meaning ascribed to it in Article 12.1;

(bb) "**Drag Sale**" shall mean the sale (or other transaction such as merger, amalgamation or sale of Assets having a similar effect) of such number of Equity Securities of the Company to a Third Party Purchaser as the Investors may mandate, by such of the Shareholders as the Investors may mandate, in each case at the sole option and discretion of the Investors, and in the manner set out in Article 12.1;

(cc) "**Drag Sale Purchaser**" shall have the meaning ascribed to it in Article 12.1;

(dd) "**Drag Sale Right**" shall have the meaning ascribed to it in Article 12.1;

(ee) "**Dragged Shareholders**" shall have the meaning ascribed to it in Article 12.1;

(ff) "**ESOP**" shall have the meaning ascribed to it in Article 5.20;

(gg) "**Equity Securities**" shall mean equity capital, Equity Shares (as defined below), membership interests, partnership interests, registered capital, joint venture or other ownership interests of the Company or any options, warrants or other securities (including the Series A CCCPS and Series B CCCPS), or rights that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital, Equity Shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued);

(hh) "**Equity Shares**" shall mean the equity shares of the Company whether issued or to be issued, having par value of INR 10/- (Rupees Ten only) per equity share;

(ii) "**Exercise Notice**" shall have the meaning ascribed to it in Article 7.2;

(jj) "**Exit Period**" shall have the meaning ascribed to it in Article 11.1;

(kk) "**FCPA**" shall mean the Foreign Corrupt Practices Act, 1977;

(ll) "**Financial Statements**" shall mean the audited financial statements comprising an audited balance sheet as of the relevant Financial Year end and the related audited statement of income for the Financial Year then ended, together with the auditor's report thereon and notes thereto prepared in accordance with Indian GAAP and applicable Laws;

(mm) "**Financial Year**" shall mean the period commencing April 1 each calendar year and ending on March 31 the succeeding calendar year, or such other period as may be determined by the Board of Directors of the Company to be the financial year for the Company;

(nn) "**FMV**" shall have the meaning ascribed to it in Article 11.1(b);

(oo) "**FMV Computation Date**" shall have the meaning ascribed to it in Article 11.1(b);

(pp) "**Fully Diluted Basis**" shall mean that the calculation is to be made assuming that all outstanding Equity Securities are converted (or exchanged or exercised) into Equity Shares of the Company (whether or not by their terms then currently convertible, exercisable or exchangeable), including without limitation stock options (including employee stock options), warrants and any outstanding commitments to issue Equity Shares at a future date, whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged into Equity Shares of the Company in accordance with the terms of their issuance; and it is clarified that all authorised options under the ESOP would be included for the aforesaid calculation irrespective of whether or not they have been issued, granted, vested or exercised;

(qq) "**Government**" or "**Governmental Authority**" means any statutory authority, government department, agency, commission, board, tribunal, court or other entity in India authorised to make Laws;

(rr) "**Greater Preliminary Valuation**" shall have the meaning ascribed to it in Article 11.1(c);

(ss) "**IP Rights**" or "**Intellectual Property**" shall mean all rights in and in relation to all intellectual property rights subsisting in the products, services, etc., developed, being developed or proposed to be developed by the Company including all patents, patent applications, moral rights, trademarks, trade names, service marks, service names, brand names, internet domain names and sub-domains, inventions, processes, formulae, copyrights, business and product names, logos, slogans, trade secrets, industrial models, formulations, processes, designs, database rights, methodologies, computer programs (including all source codes), technical information, manufacturing, engineering and technical drawings, know-how, all pending applications for and registrations of patents, entity models, trademarks, service marks, copyrights, designs and internet domain names and sub-domains and all other intellectual property or similar proprietary rights of whatever nature (whether registered or not and including applications to register or rights to apply for registration) in each case anywhere in the world;

(tt) "**Indian GAAP**" shall mean generally accepted accounting principles applicable in India, consistently applied throughout the specified period and in the comparable period in the immediately preceding year;

(uu) "**INR**" or "**Rupees**" or "**Rs**." shall mean Indian rupees, being the lawful currency of India;

(vv) "**Investor Director(s)**" shall mean the meaning ascribed to it in Article 5.2(b);

(ww) "**Investor Valuer**" shall mean the meaning ascribed to it in Article 11.1;

(xx) "**IPO**" shall mean the initial public offering of shares or other securities (including depository receipts), either domestic or overseas, of the Company and consequent listing of the Equity Shares of the Company in stock exchanges, domestic or overseas and "**IPO Listing Date**" shall mean the date on which the shares of the Company commence trading on the stock exchanges pursuant to the IPO undertaken by the Company.

(yy) "**Issuance Notice**" shall have the meaning ascribed to it in Article 7;

(zz) "**Issuance Price**" shall have the meaning ascribed to it in Article 7;

(aaa) "**Issuance Shares**" shall have the meaning ascribed to it in Article 7;

(bbb) "**Key Employees**" shall mean all senior employees of the Company, who report directly to the Board or the Managing Director, and all employees with an annual compensation package above INR 20,00,000/- (Rupees Twenty Lakhs Only) and shall include the persons mutually agreed to between the Company and the Shareholders;

(ccc) "**Law**" or "**Laws**" shall mean and include all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, or recognised stock exchanges of India;

(ddd) "**Lesser Preliminary Valuation**" shall have the meaning ascribed to it in Article 11.1;

(eee) "**Liability**(**ies**)" shall mean all liability or liabilities, whether actual or contingent, present or future, quantified or unquantified;

(fff) "**Liquidation Entitlement**" shall mean those amounts payable to the holders of Series A CCCPS and Series B CCCPS;

(ggg) "**Liquidation Event**" shall be deemed to include the following:**-**

(i) commencement of any proceedings for the voluntary winding up of the Company in accordance with the Act or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company; or

(ii) the consummation of a consolidation, merger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders (immediately prior to such transaction), collectively, retaining less than a majority of the voting power of the Company or the surviving entity immediately following such transaction after giving effect to any conversion, exercise or exchange of any Equity Securities convertible into or exercisable or exchangeable for, such voting Equity Securities; or

(iii) a sale, lease, license or other Transfer of over 40% (forty percent) of the Equity Securities or any block of Assets of the Company or any Business related Intellectual Property of the Company; or

(iv) any change in Control; or

(v) a Trade Sale; or

(vi) a Drag Sale.

(hhh) "**Liquidation Proceeds**" shall have the meaning ascribed to it in Article 9.1;

(iii) "**Merchant Banker**" shall have the meaning ascribed to it in Article 11.1(b);

(jjj) "**Memorandum of Association**" or "**Memorandum**" shall mean the Memorandum of Association of the Company, as amended from time to time;

(kkk) "**Observer**" shall have the meaning ascribed to it in Article 5.2(c);

(lll) "**Offer**" shall have the meaning ascribed to it in Article 12.1;

(mmm) "**Offer of Existing Securities**" shall have the meaning ascribed to it in Article 11.1;

(nnn) "**Offered Terms**" shall have the meaning ascribed to it in Article 7;

(ooo) "**Parties**" shall mean the Investors, the Company and the Promoters. The Parties shall unless the context otherwise requires be individually referred to as "**Party**";

(PPP) "**PCA**" shall mean the Prevention of Corruption Act, 1988;

(qqq) "**Person**" shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Law;

(rrr) "**PFIC**" shall have the meaning ascribed to it in Article 29;

(sss) "**Pre-emptive Right**" shall have the meaning ascribed to it in Article 7;

(ttt) "**Preference Amount**" shall have the meaning ascribed to it in Article 9.1;

(uuu) "**Preferential Dividend**" shall have the meaning ascribed to it in Article 9.1;

(vvv) "**Preliminary Valuation**" shall have the meaning ascribed to it in Article 11.1;

(www) "**Preliminary Valuation Report**" shall have the meaning ascribed to it in Article 11.1;

(xxx) "**Promoters**" shall mean Mr. Hemant Jalan; Mrs. Tara Devi Jalan, Mr. Kamala Prasad Jalan; Mrs. Anita Jalan; Mr. Parag Jalan; and Halogen Chemicals Private Limited. The Promoters shall each unless the context otherwise requires be individually referred to as the "**Promoter**".

(yyy) "**Promoter Director**" shall have the meaning ascribed to it in Article 5.2(b);

(zzz) "**Proposed Issuance**" shall have the meaning ascribed to it in Article 7;

(aaaa) "**Proposed Transferee**" shall have the meaning ascribed to it in Article 10.2;

(bbbb) "**Promoter Valuer**" shall have the meaning ascribed to it in Article 11;

(cccc) "**RBI**" shall mean the Reserve Bank of India;

(dddd) "**Relative**" shall mean, in relation to any natural Person, his spouse, his siblings and their spouses and lineal descendants, any lineal ascendant or descendant of such Person and their respective spouses;

(eeee) "**ROFR Exercise Notice**" shall have the meaning ascribed to it in Article 10;

(ffff) "**ROFR Notice**" shall have the meaning ascribed to it in Article 10;

(gggg) "**ROFR Period**" shall have the meaning ascribed to it in Article 10;

(hhhh) "**ROFR Price**" shall have the meaning ascribed to it in Article 10;

(iiii) "**SCI IV**" shall mean Sequoia Capital India Investments IV, a company established under the Laws of Mauritius, having its principal office at 5th Floor, Ebene Esplanade, 24 Cyber City, Bank Street, Ebene Mauritius;

(jjjj) "**SCII V/SCI Investments V**" shall mean Sequoia Capital India Investments V, a body corporate established under the Laws of Mauritius, having its principal office at IFS Court, Twenty Eight, Bank Street, Cybercity, Ebene, Mauritius;

(kkkk) "**SEBI**" shall mean the Securities and Exchange Board of India;

(llll) "**Secondary Sale**" shall have the meaning ascribed to it in Article 11;

(mmmm) "**Series B Closing Date**" shall have meaning ascribed to it in the Series B SSSPA;

(nnnn) "**Series B SSSPA**" shall mean the share subscription and purchase agreement executed between the Company, SCII V and the Promoters;

(oooo) "**SHA**" shall mean the amended and restated shareholders agreement entered on February 8, 2016 between the Company, SCI IV, SCII V, Mr. Hemant Jalan, Mrs. Tara Devi Jalan, Mr. Kamala Prasad Jalan, Mrs. Anita Jalan, Mr. Parag Jalan and Halogen Chemicals Private Limited;

(pppp) "**Share Capital**" shall mean the total paid up share capital of the Company determined on a Fully Diluted Basis;

(qqqq) "**Shareholders**" shall mean the shareholders, from time to time, of the Company;

(rrrr) "**Subsidiary**" shall have the meaning ascribed to the term under the Act;

(ssss) "**Tag Along Right**" shall have the meaning ascribed to it in Article 10;

(tttt) "**Tag Along Exercise Notice**" shall have the meaning ascribed to it in Article 10;

(uuuu) "**Tag Along Shares**" shall have the meaning ascribed to it in Article 10;

(vvvv) "**Tax**", "**Taxes**" or "**Taxation**" shall mean any and all form of direct and indirect taxes with reference to income, profits, gains, net wealth, asset values, turnover, gross receipts including but not limited to all duties (including stamp duties), excise, customs, service tax, value added tax, goods and sales tax, charges, fees, levies or other similar assessments by or payable to a Governmental Authority (including its agent and persons acting under its authority), including without limitation in relation to (a) income, manufacture, import, export, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, expenditure, procurement, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll, fringe benefits and franchise taxes and (b) any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to or incurred in connection with any proceedings, contest, or dispute in respect thereof;

(wwww)"**Third Party**" shall mean any Person other than the Parties to these Articles;

(xxxx) "**Third Party Purchasers**" shall have the meaning ascribed to it in Article 13.2;

(yyyy) "**Trade Sale**" shall mean a sale of all, or substantially all, of the outstanding Equity Securities of the Company;

(zzzz) "**Transfer**" (including with correlative meaning, the terms "**Transferred by**" and "**Transferability**") shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

(aaaaa) "**Transfer Shares**" shall have the meaning ascribed to it in Article 10;

(bbbbb) "**Transferring Promoter**" shall have the meaning ascribed to it in Article 10;

(ccccc) "**UKBA**" shall mean the U.K. Bribery Act, 2010;

(ddddd) "**Unsubscribed Issuance Exercise Notice**" shall have the meaning ascribed to it in Article 7.5;

(eeeee) "**Unsubscribed Issuance Notice**" shall have the meaning ascribed to it in Article 7.4;

(fffff) "**Unsubscribed Issuance Shares**" shall have the meaning ascribed to it in Article 7.3; and

(ggggg) "**Viable Exit**" shall mean (i) an IPO; or (ii) a Secondary Sale at a valuation which provides each of the Investors the Benchmark Price within the Exit Period.

(hhhhh) "**Bonus Preference Shares**" shall mean preference share issued against the existing class of preference shares for face value Rs. 10/- (Rupees Ten only) each. The terms of issuance and rights of issued bonus shares shall stand pari passu with the existing Series A CCCPS and Series B CCCPS respectively.

2.2 **Interpretation**. In these Articles, unless otherwise specified:

(a) Articles, headings and Schedule headings are for convenience only and do not affect the construction or interpretation of these Articles.

(b) References to these Articles or any other document shall be construed as references to these Articles or that other document as amended, varied, novated, supplemented or replaced from time to time.

(c) All references in these Articles to statutory provisions shall be statutory provisions for the time being in force and shall be construed as including references to any statutory modifications, consolidation or re-enactment for the time being in force and all statutory rules, regulations and orders made pursuant to a statutory provision.

(d) Words denoting singular shall include the plural and *vice versa* and words denoting any gender shall include all genders unless the context otherwise requires.

(e) References to Articles or Annexures are, unless the context otherwise requires, references to articles or Annexures to these Articles.

(f) The expression "**this Article**" shall, unless followed by reference to a specific provision, be deemed to refer to the whole Article (not merely the sub-section, paragraph or other provision) in which the expression occurs.

(g) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in permanent visible form.

(h) The terms "include" and "including" shall mean, "include without limitation".

(i) The headings, sub-headings, titles, subtitles to Articles, sub-Articles and paragraphs are for information only, shall not form part of the operative provisions of these Articles or the Annexures, and shall be ignored in construing the same.

(j) The term "directly or indirectly" in relation to a Party means and includes any direct or indirect action/s on the part of or by or on behalf of the Party in question either by himself or herself or in conjunction with or on behalf of any Person including through an Affiliate whether as an employee, consultant, proprietor, partner, director, contractor or otherwise, whether for profit or otherwise.

(k) References to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information, belief or awareness of such Person after examining all information and making all due diligence inquiries and investigations which would be expected or required from a Person of ordinary prudence.

3. SHARE CAPITAL

3.1 The Authorized Share Capital of the Company is as mentioned in Clause V of the Memorandum. The Board of Directors shall have the power to increase and reduce the capital for the time being of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Company.

3.2 The Company shall, subject to the provisions of Section 55 of the Companies Act, 2013 have the power to issue preference shares redeemable at the option of the Company or to issue shares with differential voting rights. Additionally, the Board may issue and allot shares in the Capital of the Company for consideration other than cash.

3.3 The Company shall have power to alter the conditions of the Memorandum in any manner subject to Article 5.19.

3.4 The Company can issue bonus preference shares in accordance with the provisions of the Act.

4. CALLS

4.1 The Board may, from time to time subject to the terms on which the shares may have been issued or allotted by resolution make such calls of the nominal value or by way of premium as it thinks fit, upon the members in respect of the monies unpaid on their shares made payable at fixed time and place after 15 (Fifteen) days' notice. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

4.2 A call, if not decided otherwise, shall be deemed to have been made from the date of the Board resolution to the members whose name is on the Registered of Members on the particular date as may be decided by Directors.

4.3 The Board may at its discretion revoke or postpone the call or may extend the date payment thereof, or may charge such interest as they as they may think fit.

4.4 The Board may, fit decided, receive calls in advance without any extra privilege about voting, and the advance call shall carry interest rate from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

5. MANAGEMENT OF THE COMPANY

5.1 Directors

(a) The Company shall be managed by the Board of Directors who shall have powers to do all acts and take all actions that the Company is authorized to do; subject only to the proviso that those matters that are statutorily required under the Act to be approved by the Shareholders shall be referred for approval by the Shareholders.

5.2 Board Composition

(a) The Board shall be composed of up to 15 (fifteen) directors.

(b) Notwithstanding Article 5.2(a), Investors (jointly) shall have the right to nominate 2 (two) Director(s) ("**Investor Director**(**s**)") and the Promoters shall collectively have the right to nominate 6 (six) Directors (each a "**Promoter Director**"), in the manner laid down in this Article 5.

(c) In addition to the right to appoint the Investor Directors, the Company will permit a representative of the Investors to attend all the Board Meetings and all committees thereof (whether in person, telephonic or other) in a non-voting, observer capacity ("**Observer**") and shall provide to the said parties, concurrently with the members of the Board, and in the same manner, notice of such meeting and a copy of all materials provided to such members. The Investors may also choose to appoint additional Observers in lieu of the Investor Director(s), which they are entitled to nominate, in which case the Board seats available to the Investors shall remain vacant, till such time that the Investors choose to nominate Investor Director(s).

(d) The Investors may require the removal of any one or more of the Investor Directors or the Observers and nominate other individual(s) as Investor Directors or Observers in their place and, the other Shareholders shall exercise their rights to ensure such removal and appointment as aforesaid.

(e) The Promoters may require the removal of any one or more of the Promoter Directors and nominate other individual(s) as Promoter Directors in their place and, the other Shareholders shall exercise their rights to ensure such removal and appointment as aforesaid. Provided that, Mr. Hemant shall at all times serve on the Board as a Promoter Director.

(f) Any person to be nominated on the Board shall be a person of high calibre, strong business reputation, adhering to high ethical standards and possessing necessary leadership skills and business experience. He or she shall not have been found guilty of any acts of moral turpitude or have been convicted of any offence.

(g) The Board may appoint any person as a director nominated by any financial institution, bank, corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the Company or guarantee or given of any loan borrowed or liability incurred by the Company or so long as the Company is indebted. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

5.3 Appointment, Removal and Replacement

(a) The Shareholders and Board shall procure that each appointment, removal or replacement of the Investor Directors in terms of Articles 5.2, Article 5.5 and Article 5.16 is implemented without delay and where necessary, meetings of the Shareholders of the Company, or Board Meetings, as applicable, are convened for this purpose.

(b) The Shareholders and Directors shall vote in favour of any such appointment, removal or replacement at any meeting of the shareholders of the Company and use their reasonable endeavours to procure that each Shareholder's respective nominee to the Board or their alternates, vote in favour of any such appointment, removal or replacement at any such meeting.

(c) Not less than two-thirds of the total number of Directors of the Company shall:

i. be persons whose period of office is liable to determination by retirement of Directors by rotation; and

ii. save as otherwise expressly provided in the said Act; be appointed by the Company in general meeting.

Subject to the provisions of Section 152 of the Act, at every annual general meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re- election.

Explanation: For the purposes of this Article, "total number of Directors " shall not include Independent Directors appointed on the Board of the Company. The remaining Directors of the Company shall also be appointed by the Company in general meeting except to the extent that the Articles otherwise provide or permit.

If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

iii. at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

iv. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

v. he is not qualified or is disqualified for appointment;

vi. a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the said Act; or The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

5.4 **No Qualification Shares**

(a) The Directors shall not be required to hold any qualification shares.

5.5 **Casual Vacancies**

(a) If any of the Investor Directors retires, resigns, vacates or is removed from office before his/her term expires, the resulting casual vacancy may only be filled by a Person nominated by the Investors.

(b) If any of the Promoter Directors retires, resigns, vacates or is removed from office before his/her term expires, the resulting casual vacancy may only be filled by a Person nominated by the Promoter.

5.6 **Proceedings of Board**

(a) The Board shall hold meetings, approve decisions or pass resolutions and grant consents in accordance with the procedures set out in this Article 5.

5.7 **Number of Board Meetings and venue**

(a) The Board shall meet once every quarter and at least 4 (four) times in every calendar year; *provided that* the interval between 2 (two) Board Meetings shall not exceed 120 (one hundred twenty) days. Board Meetings shall be held at the offices of the Company at Pune or at such place, within or outside India, as mutually decided by the Promoters and the Investors, from time to time.

(b) Subject to applicable Laws, all reasonable expenses and costs (including travel and accommodation cost) incurred by the Investors and the Investor Directors for such Board Meetings, shall be borne by the Company.

5.8 **Convening Board Meetings**

(a) Any Director may, or the secretary of the Company, if so appointed, shall, on the requisition of a Director, summon a Board Meeting, in accordance with the notice and other requirements set out in this Article 5.

(b) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

5.9 **Notice for Board Meetings**

(a) At least 7 (seven) days prior written notice shall be given to each of the Directors, of any Board Meeting. A Board Meeting may be held at shorter notice with the written consent (which may be signified by a letter or e-mail with receipt acknowledged) of at least majority of the Directors including the Investor Directors.

5.10 **Contents of Notice**

(a) Every notice of a Board Meeting shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such Board Meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate Directors.

(b) The draft resolutions and other documents for all matters to be considered at the Board meeting must be furnished to all the Directors along with the notice for the Board meeting. The secretary (if any) of the Company or the whole-time director of the Company shall prepare the notice for the meetings.

5.11 **Quorum for the Board Meetings**

(a) The quorum for a Board Meeting shall be 3 (three) Directors, which shall include any 1 (one) Investor Director and 1 (one) Promoter Director, being present at such meeting.

(b) If a quorum (as required under this Article 5.11) is not present at a Board Meeting within half an hour of the time appointed for a properly convened meeting, the meeting shall be adjourned for 5 (five) Business Days to be held at the same place and time of day.

(c) If at such adjourned Board Meeting a quorum is not present within half an hour of the time appointed for a properly convened meeting the meeting shall be adjourned again for 5 (five) Business Days to be held at the same place and time of day.

(d) At such adjourned meeting, the Board members present shall, subject to the provisions of the Act, constitute a quorum, provided that the Company shall continue to comply with the provisions of Article 5.19.

5.12 **Committees of the Board**

(a) Only the Board can appoint a committee of Directors or delegate its powers to any Persons.

(b) 1 (one) Investor Director shall be appointed (if so elected by the Investors jointly) on the committees formed by the Board.

(c) The provisions relating to the proceedings of the Board Meetings contained herein shall apply *mutatis mutandis* to the proceedings of the meetings of the committee of the Board.

5.13 **Electronic Participation**

(a) The Directors may participate and vote in the Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under applicable Laws and by the Ministry of Corporate Affairs from time to time. Notwithstanding the aforesaid, it is clarified that in relation to any Affirmative Vote Matter, the written confirmation of both the Investors approving the proposal with respect to the Affirmative Vote Matter shall always be required before the Board may transact or take any decision in relation to the Affirmative Vote Matter.

5.14 **Circular Resolutions**

(a) The Board may act by written resolution, or in any other legally permissible manner, on any matter, except for matters, specified otherwise in these Articles or which by Law may only be acted upon at a meeting. Subject to any restrictions imposed by Law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of Directors under Law and as provided in various provisions in these Articles, subject to compliance with Article 5.19.

5.15 **Chairman**

(a) The chairman of the Board shall not have a second or casting vote.

5.16 **Alternate Directors**

(a) Any Director appointed to the Board shall be entitled to nominate an alternate to attend and vote at Board Meetings in his absence. Such alternate shall be approved by the Shareholders who have appointed such nominating director and shall be appointed by the Board in accordance with the provisions of the Act.

5.17 **Decisions of the Board**

(a) Subject to the provisions of Article 5.19, all questions arising at any Board Meeting or decision by circular resolutions shall be decided by a simple majority of votes.

5.18 **Liability of the Investor Directors**

(a) The Promoters and the Company expressly agree that, the Investor Directors will be non-executive Directors.

(b) The Promoters and the Company expressly agree that the Investor Directors shall not be identified as officers in charge/ default of the Company or occupiers of any premises used by the Company or an employer of the employees. Further, the Promoters and the Company undertake to ensure that the other Directors or suitable Persons are nominated as officers in charge/ default and for the purpose of statutory compliances, occupiers or employers, as the case may be, in order to ensure that the Investor Directors do not incur any Liability, whether actual or contingent, present or future, quantified or unquantified. Provided that nothing in this clause shall apply to the liability of the Investor Directors under applicable law in their capacity as non-executive directors of the Company.

5.19 **Affirmative Vote Matters**

(a) Notwithstanding any other provision of these Articles or any power conferred upon the Board by these Articles, the Act or the Articles, neither the Company nor any Shareholder, Director, officer, committee, committee member, employee, agent or any of their respective delegates shall (whether in any Board Meeting, meeting of a committee of Directors, general meeting, through any resolutions by circulation or otherwise, with respect to the Company) take any decisions or actions in relation to any of the matters set forth in Annexure A, without the affirmative prior written consent of the Investors.

(b) The Company and the Shareholders agree that the principles set out in this Article 5.19 are fundamental to the governance of the Company and each Party undertakes not to commit any act or omission that would violate or prejudice the spirit and intent of this Article 5.19.

(c) If any other provision of these Articles conflicts with the provisions of this Article 5.19, the provisions of this Article 5.19 shall prevail and be given effect.

5.20 **Employees Stock Option Plan**

(a) The Company has reserved an employee stock option plan ("**ESOP**") for the benefit of the senior management and Key Employees of the Company (other than the Promoters and their Affiliates), on terms (including conversion or exercise price of the options) agreeable to the Investors. Options issued under the ESOP shall be convertible only into Equity Shares.

(b) All employees of the Company who shall purchase, or receive options to purchase, Equity Shares under the ESOP following the date hereof shall be required to execute share purchase or option agreements, in the manner stated in the ESOP.

(c) Any change to the number of Equity Shares or the terms of such ESOP after adoption shall require consent of each of the Investors.

(d) Unallocated Equity Shares under the ESOP shall be returned to the Company after the Investors have achieved a Viable Exit.

5.21 As long as applicable law does not permit the holders of Series A CCCPS to exercise voting rights on all Shareholder matters submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares), then until the conversion of all the Series A CCCPS into Equity Shares, each Promoter shall vote in accordance with the instructions of the Investor at a general meeting or provide proxies without instructions to the Investor for the purposes of a general meeting, in respect of such number of Equity Shares held by each of them such that a relevant percentage (the "**Series A CCCPS Relevant Percentage**") of the Equity Shares of the Company are voted on in the manner required by the Investor. The exercise of such voting by the Promoters shall be subject to applicable Law. For the purposes of this clause, the Series A CCCPS Relevant Percentage in relation to the Investor shall be equal to the percentage of Equity Shares in the Company that the Investor would hold if the Investor was to elect to convert its Series A CCCPS into Equity Shares based on the then applicable Series A Conversion Price on the relevant date. The obligation of the Promoters to vote on their Equity Shares as aforesaid shall be pro-rated in accordance with their inter se shareholding in the Company.

6. SHAREHOLDERS MEETINGS

6.1 General Meetings

(a) An annual general meeting of the Shareholders of the Company shall be held as per the provisions of the Act. Subject to the foregoing, the Board, on its own or at the request of the Investor or any Promoter, may convene an extraordinary general meeting of the Shareholders, whenever they deem appropriate.

6.2 Notices for General Meetings

(a) At least 21 (Twenty One) days' prior written notice of every general meeting of Shareholders shall be given to all Shareholders whose names appear on the Register of Members of the Company. A meeting of the Shareholders may be called by giving shorter notice with the written consent of the minimum number of Shareholders as provided by the Act (which shall necessarily include the consent of the Investor and at least 1 (one) Promoter).

6.3 Contents of Notice

(a) The notice shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall be in full compliance with applicable Laws and shall set forth in full and sufficient detail the business to be transacted thereat along with the text of any resolutions proposed to be passed at such meeting, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.

6.4 Chairman for General Meeting

(a) The chairman of the Board shall be the chairman for all general meetings. The chairman of the general meeting shall not have any second or casting vote.

(b) English shall be the language used at all Shareholder meetings and non-English speaking Shareholders shall be required to express themselves through interpreters who have entered into confidentiality agreements with the Company.

6.5 Proxies and Authorized Representatives

(a) Any Shareholder of the Company may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. Any Person possessing a proxy or other such written authorization with respect to any Equity Shares shall be able to vote on such Equity Shares and participate in meetings as if such Person were a shareholder, subject to the applicable Law.

(b) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

(c) An instrument appointing a proxy shall be in the form as prescribed under the Act.

(d) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

6.6 **Quorum for General Meetings**

(a) Quorum for a general meeting shall be in accordance with Section 103 of the Act, provided that an authorized representative of the Investors and at least 1 (one) Promoter is present, shall be necessary to form a quorum for a valid general meeting unless the authorized representative of the Investor, provides written notice prior to commencement of any general meeting or adjourned meeting waiving the requirement of his presence to constitute valid quorum for a particular general meeting or adjourned meeting, as the case may be.

6.7 **Adjournment of General Meetings for lack of Quorum**

(a) If a quorum is not present within 30 (thirty) minutes of the scheduled time for any Shareholders' meeting or ceases to exist at any time during the meeting, then the meeting shall be adjourned, to the same day, place and time in the next succeeding week (it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the same as required for the original meeting).

(b) In the event, the agenda for an original meeting and consequently an adjourned meeting only contains matters other than matters listed in Article 5.19, then even if an authorized representative of the Investors is not present at such an adjourned meeting, or indicates his consent or dissent on the matters on the agenda of such meeting, the quorum shall be deemed to have been validly constituted for such meeting even without the presence of such authorized representative of the Investors. It is clarified that provisions relating to quorum at adjourned meetings contained in this paragraph will not apply to any meeting in which a matter contained in Article 6.21 is to be considered.

6.8 **Decision Making**

(a) Except as otherwise required by the relevant applicable Laws and except for matters listed in Article 5.19 (which shall require the affirmative vote as stated therein), all decisions of the Shareholders of the Company shall be made by simple majority.

6.9 **Electronic Participation**

(a) The Shareholders may participate and vote in general meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under applicable Laws and by the Ministry of Corporate Affairs from time to time. Notwithstanding the aforesaid, it is clarified that in relation to any Affirmative Vote Matter, the written confirmation of the Investor approving the proposal with respect to the Affirmative Vote Matter shall always be required.

7. PRE-EMPTIVE RIGHTS FOR NEW ISSUES OF EQUITY SECURITIES

7.1 In the event the Company is desirous of issuing any new Equity Securities after the Series B Closing Date, including by way of a preferential allotment ("**Proposed Issuance**") (excluding the issuance of Equity Securities pursuant to the ESOP as specified herein, or pursuant to an IPO), the Company shall comply with Article 5.19 and shall provide, and the Promoters shall cause the Company to provide, a right to the Investors to participate on a pro-rated basis (based on the shareholding of the Investors computed on a Fully Diluted Basis) in any such Proposed Issuance ("**Pre-emptive Right**"). The Company shall give the Investors written notice of any such Proposed Issuance ("**Issuance Notice**") specifying: (i) the number and class of Equity Securities proposed to be issued ("**Issuance Shares**"); (ii) the price per Equity Security of the Proposed Issuance ("**Issuance Price**"); (iii) the manner and time of payment of the subscription amount; and (iv) the date of the Proposed Issuance (the "**Offered Terms**").

7.2 If either of the Investors wishes to exercise its Pre-emptive Right, it shall within 30 (Thirty) days from the date of receipt of the Issuance Notice, issue a written notice to the Company, intimating the Company that it wishes to exercise its Pre-emptive Right (by itself or through any of its Affiliates) ("**Exercise Notice**") and shall pay for and subscribe to such number of Issuance Shares as it wishes to subscribe to, so as to maintain its *pro rata* holding in the Company as at the time immediately prior to the Proposed Issuance, at the Issuance Price and on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against exercise of the Preemptive Right by the Investor, the Company shall issue and allot such number of the Issuance Shares as is set out in the Exercise Notice to the Investor on the date of closing of the issuance as stated in the Issuance Notice.

7.3 In the event that a Third Party or other Shareholders entitled to participate in such Proposed Issuance do not subscribe to their respective portions of the Proposed Issuance, the Investors and the Promoters who are participating in the Proposed Issuance, shall have the pro-rata right to subscribe to such Issuance Shares as remains unsubscribed ("**Unsubscribed Issuance Shares**").

7.4 Upon becoming aware of the Third Party's or other Shareholders' intent to not subscribe to their respective portions of the Proposed Issuance, the Company shall promptly issue a notice ("**Unsubscribed Issuance Notice**") in writing to Investors and the Promoters who are participating in the Proposed Issuance, intimating it of the number of Unsubscribed Issuance Shares and offering the Investors and the Promoters who are participating in the Proposed Issuance, the right to subscribe thereto.

7.5 If the Investors wishes to exercise its right to subscribe to all or a portion of the Unsubscribed Issuance Shares (by itself or through any of its Affiliates), it shall within 30 (Thirty) days from the date of the Unsubscribed Issuance Notice, issue a written notice to the Company intimating the Company of the number of Unsubscribed Issuance Shares it wishes to subscribe to ("**Unsubscribed Issuance Exercise Notice**") and shall pay for and subscribe to such number of Unsubscribed Issuance Shares at the Issuance Price and on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against the Unsubscribed Issuance Shares by the Investors, the Company shall issue and allot such number of the Unsubscribed Issuance Shares as is set out in the Unsubscribed Issuance Exercise Notice to the such Investor within 7 (Seven) days of the Unsubscribed Issuance Exercise Notice.

7.6 If the Investors do not, in full or in part, exercise its Pre-emptive Right as mentioned in Article 7.2 or do not, in full or in part, exercise its right to subscribe to the Unsubscribed Issuance Shares as mentioned in Article 7.5, then the Board may, in its discretion, issue and allot such of the Issuance Shares as are not elected to be subscribed by the Investors to any Person as it deems fit on the terms and conditions set out in the Issuance Notice within a period of 60 (sixty) days from the date of the Issuance Notice or the Unsubscribed Issuance Notice (as the case may be). In the event the Company does not complete the issuance and allotment to such party within 60 (sixty) days from the date of the Issuance Notice or the Unsubscribed Issuance Notice (as the case may be), the Company shall not proceed with such issuance and allotment without issuing a fresh Issuance Notice and following the procedure set out in this Article 7.

7.7 The Company and the Shareholders hereby agree that, notwithstanding the above, there exists no commitment by the Investors or its Affiliates to further capitalise the Company or to provide finance or any other form of support to the Company, including in the form of loans or guarantees or any security.

7.8 **Anti-dilution Adjustments**

(a) The Investors shall be entitled to anti-dilution protection in relation to any Equity Shares held by the Investors (whether upon conversion of the Series A CCCPS, the Series B CCCPS or otherwise), upon the occurrence of a Dilutive Issuance, in accordance with the principles set out in relation to anti-dilution protection applicable to the Series A CCCPS and Series B CCCPS in Schedule II and Schedule VII, respectively. Provided that the price paid by the Investors to acquire the Equity Shares (and in the case of Equity Shares acquired from the conversion of the Series A CCCPS and the Series B CCCPS, the applicable Conversion Price) shall be reckoned instead of the Conversion Price for the purpose of computing the number of Equity Shares to be issued to the Investors pursuant to this provision.

(b) Nothing hereinabove shall prejudice the rights of the Series A CCCPS and the Series B CCCPS holders in relation to anti-dilution protection in Article 9 as defined in Schedule II and Schedule VII of the SHA.

8. BUY BACK OF SHARES

Subject to Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

9. TERMS OF ISSUE OF SERIES A CCCPS

9.1 The terms of issue of Series A CCCPS are set out below:

(a) DIVIDEND RIGHTS

(i) The Series A CCCPS are issued at a preferential dividend rate of 0.001% per annum (the "**Preferential Dividend**"). The Preferential Dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same fiscal year, but except Series B CCCPS, on which dividend shall be distributed on *pari passu* basis with the holders of Series A CCCPS.

(ii) In addition to and after payment of the Preferential Dividend, each Series A CCCPS would be entitled to participate *pari passu* in any cash or non-cash dividends paid to the holders of shares of any other class (including Equity Shares) or series on a *pro rata,* as-if-converted basis.

(iii) No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution any Series A CCCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of Series A CCCPS of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019).

(b) LIQUIDATION PREFERENCE

(i) In the event of a Liquidation Event, the proceeds from the Liquidation Event (less any amounts required by Law to be paid or set aside for the payment of creditors of the Company, if applicable) ("**Liquidation Proceeds**") shall be paid or distributed in the following order:

(A) The holders of Series A CCCPS and holders of the Series B CCCPS shall be entitled, such amount per Series A CCCPS and Series B CCCPS respectively, held by them, that would result in the total amount invested in the Company by the holders of Series A CCCPS in relation to Series A CCCPS and by holders of Series B CCCPS in relation to Series B CCCPS being distributed back to them, in addition to any arrears on account of accrued but unpaid dividends on the Series A CCCPS in relation to Series A CCCPS and on Series B CCCPS in relation to Series B CCCPS calculated to the date of such payment ("**Preference Amount**"). This amount shall be paid prior to and in preference to any payment or distribution to any other holders of any other Equity Securities.

(B) The Promoters shall next be entitled to receive a total amount of Rs. 5,00,00,000/- (Rupees Five Crores Only) in the aggregate ("**Promoters Entitlement**")

(C) Any proceeds remaining after full payment of the Preference Amount and the Promoter's Entitlement shall be distributed *pari passu* among the holders of the Series A CCCPS, Series B CCCPS and holders of the Equity Shares, on a pro rata, as-if-converted basis.

(ii) In the event that the Liquidation Proceeds do not exceed the amount necessary to pay the Preference Amount, the entire amount so available shall be paid to the holders of the Series A CCCPS and Series B CCCPS and no Assets shall be distributed to any other holders of the Equity Shares or any other outstanding Equity Securities of the Company.

(iii) The Company and the Shareholders hereto hereby agree and undertake to fully cooperate with each other in making the payment of the Liquidation Entitlement in the order and manner provided above and to do all such things as may be reasonably necessary and that they shall use and employ all necessary efforts and commit best endeavours to ensure that payment of the Liquidation Entitlement is made in accordance with this Article 9(b). The Company and the Promoters covenant that they shall do all necessary acts, deeds and things to obtain any regulatory approvals and consents in a timely manner such that the disbursements mentioned in this provision can be made in the manner mentioned.

(iv) The Liquidation Entitlement set out herein shall override any other provision, which may make any stipulation of the price payable to the Investors upon the Transfer of Equity Securities by the Investors.

(c) CONVERSION OF THE SERIES A CCCPS

(i) Conversion

(A) Each Series A CCCPS may be converted into Equity Shares at any time at the option of the holder of the Series A CCCPS.

(B) Subject to compliance with applicable Laws, each Series A CCCPS shall automatically be converted into Equity Shares, at the Conversion Price then in effect, upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the date of allotment or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of the red herring prospectus with the Registrar of Companies (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

(C) The Series A CCCPS shall be converted into Equity Shares at the conversion price determined by mutual agreement between the Company and the Shareholders ("**Conversion Price**"), in accordance with Article 9.2(D) and 9.2 (E) below.

(D) The initial Conversion Price for the Series A CCCPS shall be Rs. 4288.5325/**-** (Rupees Four Thousand Two Hundred and Eighty Eight point Five Three Two Five only) and shall be subject to adjustment from time to time as provided under these Articles.

(E) The number of Equity Shares issuable pursuant to the conversion of any Series A CCCPS shall be that number obtained by dividing the cumulative amount actually paid by the Investors to acquire all the Series A CCCPS being converted, by the applicable Conversion Price (as defined above and subject to adjustment set forth under these Articles) at the time in effect for such Series A CCCPS. No fractional shares shall be issued upon conversion of the Series A CCCPS, and the number of Equity Shares to be issued shall be rounded to the nearest whole share.

(ii) Conversion Procedure

Each holder of a Series A CCCPS who elects to convert the same into Equity Shares shall surrender the relevant share certificate or certificates therefore at the registered office of the Company, and shall, at the time of such surrender, give written notice to the Company that such holder has elected to convert the same and shall state in such notice the number of Series A CCCPS being converted. Within 10 (Ten) Business Days after receipt of such notice and the accompanying share certificates, the Company shall issue and deliver to the holder of the converted Series A CCCPS, a share certificate or certificates for the aggregate number of Equity Shares issuable upon such conversion. Where such aggregate number of Equity Shares includes any fractional share, such fractional share shall be disregarded. Subject to the requirements of applicable Law, such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the Series A CCCPS, and the Person entitled to receive the Equity Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Equity Shares on such date.

(iii) Anti-Dilution

(A) Upon each issuance by the Company of any Equity Securities (other than pursuant to the ESOP) at a minimum possible effective price per Equity Share less than the Conversion Price then in effect ("**Dilutive Issuance**"), the holders of the Series A CCCPS are entitled to anti-dilution protection on a full ratchet basis, such that the adjusted Conversion Price in each such instance will be equal to the minimum possible effective price per Equity Share in the Dilutive Issuance.

(B) This anti-dilution mechanism shall be accomplished as far as is possible under Law by an adjustment to the Conversion Price (it is clarified that no upward adjustment to the Conversion Price then in effect shall be made pursuant to any issuance of any Equity Securities), and thereafter by issuing such number of Equity Shares to the holders of the Series A CCCPS free of cost, failing which, at the lowest price possible under Law, so as to give full effect to the antidilution rights set out hereinabove. It is clarified that in the event that the Equity Securities being issued in the Dilutive Issuance are not Equity Shares, but are ultimately convertible into Equity Shares, then the term 'minimum possible effective price per Equity Share' used herein shall mean the lowest conversion price at which any Equity Securities issued in a Dilutive Issuance could potentially be ultimately converted into Equity Shares.

(C) In the event that the Company undertakes any form of restructuring of its share capital ("**Capital Restructuring**") including but not limited to: (i) consolidation or sub-division or splitting up of its Equity Securities, (ii) issue of bonus shares; (iii) issue of shares in a scheme of arrangement (including amalgamation or demerger); (iv) reclassification of Equity Securities or variation of rights into other kinds of Equity Securities; and (v) issue of right shares, then the number of Equity Shares that each Series A CCCPS converts into and the Conversion Price for each such Equity Share shall be adjusted accordingly in a manner that each holder of Series A CCCPS receives such number of Equity Shares that such holder would have been entitled to receive immediately after occurrence of any such Capital Restructuring had the conversion of the Series A CCCPS occurred immediately prior to the occurrence of such Capital Restructuring.

(D) It is clarified that from the effective date of each adjustment to the Conversion Price, the term 'Conversion Price' shall thereafter mean the adjusted Conversion Price.

(d) GENERAL

(i) Certificate of Adjustment. In each case of an anti-dilution adjustment, the Company shall cause any of its Directors to compute such adjustment or readjustment and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to the holder of the Series A CCCPS at its respective address as shown in the Company's statutory registers.

(ii) No Impairment. The Company and Shareholders shall not avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company or the Shareholders, but shall at all times in good faith assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the rights of the holders of the Series A CCCPS against impairment.

10. TRANSFER OF SHARES

10.1 Promoters' Lock-in

(a) Subject to Article 10.1 (b) and other than Transfers (i) pursuant to an IPO, and (ii) up to 1% (one percent) of the pre-issue Equity Share capital of the Company until the IPO Listing Date or September 30, 2021 or such other extended long stop date as may be agreed between the Investors and Promoters, whichever is earlier, the Promoters shall not Transfer in any way or manner any of the Equity Securities held by them from time to time without the prior written consent of the Investors. Even upon receiving such consent, the Promoters shall only be entitled to Transfer the Equity Securities held by them subject to the right of first refusal and tag along rights of the Investor as set out herein below.

(b) Such prior written consent of the Investors shall not be required, subject to Article 10.5 of these Articles, in the following cases. However, the Promoters shall provide a prior written intimation to the Investors of their intention to Transfer Equity Securities under this Article 10.1 (b), with details of the proposed Transfer.

(i) The Promoters may Transfer Equity Securities among themselves, or between each Promoter and the following of his or her Relatives only: (A) spouse, (B) siblings, or (C) lineal ascendants or descendants of such Promoter; provided always that Mr. Hemant Jalan continues to hold at least 15% (fifteen percent) of the Share Capital of the Company. Any Transfer of Equity Shares by the Promoters under this Article 10.1(b) (i) shall not be subject to the Investor's right of first refusal or tag along rights as set out in Article 10.2 and Article 10.3 of these Articles;

(ii) Until August 13, 2016, the Promoters may Transfer Equity Securities collectively up to a maximum of 4% (four percent) of the total Share Capital; subject to the Investor's right of first refusal as set out in Article 10.2 of these Articles;

(iii) After the expiry of 2 (two) years from the Series A1 Closing Date, the Promoters may freely Transfer their Equity Securities, provided the aggregate Shareholding of the Promoters does not fall below 51% (fifty one percent) of the Share Capital; and subject to the Investor's right of first refusal and tag along rights as set out in Article 10.2 and Article 10.3 of these Articles.

10.2 **Right of first refusal of the Investors**

(a) Subject always to Article 10.1 above, if any of the Promoters propose to Transfer any of the Equity Securities held by them in the Company, either directly or indirectly, to any Third Party, then the Investors will, have a right of first refusal to such Transfer. The process to be followed for the exercise of the right of first refusal is set out below:

(b) Any of the Promoters proposing to Transfer any Equity Securities ("**Transferring Promoter**"), shall first give a written notice (hereinafter referred to as "**ROFR Notice**") to the Investors. The ROFR Notice shall state (i) the number of Equity Securities proposed to be Transferred (hereinafter referred to as the "**Transfer Shares**") and the number and class of Equity Securities the Transferring Promoter owns at that time on a Fully Diluted Basis, (ii) the proposed price per Equity Security for the Transfer Shares ("**ROFR Price**"), (iii) identity of the proposed transferee(s) ("**Proposed Transferee**") (iv) copies of an offer so made, and (v) other material terms and conditions, if any, of the proposed Transfer.

(c) The Investors shall be entitled to respond to the ROFR Notice by serving a written notice (the "**ROFR Exercise Notice**") on the Transferring serving a written notice (the "**ROFR Exercise Notice**") on the Transferring Promoter prior to the expiry of 30 (Thirty) days from the date of receipt of the ROFR Notice (the "**ROFR Period**"), communicating to the Transferring Promoter, whether or not the ROFR Price and the terms set out in the ROFR Notice are acceptable to it., In the event any Investor decides to exercise its right of first refusal, the Transferring Promoter shall Transfer all the Transfer Shares as mentioned in the ROFR Exercise Notice at the ROFR Price and on the terms as are mentioned in the ROFR Notice, within the period mentioned in the ROFR Notice or within 30 (Thirty) days of the Investor delivering the ROFR Exercise Notice, whichever is earlier.

(d) In the event that any Investor does not deliver a ROFR Exercise Notice to the Transferring Promoter prior to the expiry of the ROFR Period, upon the expiry of the ROFR Period, (but after compliance with Article 10.3 the Transferring Promoter shall be entitled to Transfer the Transfer Shares to the proposed transferee mentioned in the ROFR Notice, on materially the same terms and conditions mentioned in the ROFR Notice and at a price per Equity Security no less than the ROFR Price.

(e) If completion of the sale and Transfer to such transferee does not take place within the period of 120 (One Hundred and Twenty) days following the expiry of the ROFR Period, the Transferring Promoter's right to sell the Transfer Shares shall lapse and the provisions of Article 10.2 shall once again apply to the Transfer Shares.

(f) Where the Investors require prior legal, governmental, regulatory or Shareholder consent for acquiring the Transfer Shares pursuant to these Articles, then, notwithstanding any other provision of these Articles, the Investors shall only be obliged to acquire the Transfer Shares once such consent or approval is obtained, and the Company and the Shareholders shall use their reasonable endeavours to obtain any such required approvals.

10.3 **Tag-Along Right of the Investors**

(a) To the extent that the Investors do not exercise their right of first refusal, as provided in Article 10.2 above, the Investor(s) shall have the right ("**Tag Along Right**") to sell up to as many Equity Securities held by the Investor on a pro rata basis (computed on a Fully Diluted Basis) in the proposed Transfer by the Transferring Promoter, at the same price per Equity Security and on the same terms on which the Transferring Promoter proposes to Transfer the Transfer Shares. Provided however that, if the Transferring Promoter proposes to Transfer such number of Equity Securities as will result in the Promoters' aggregate shareholding in the Company becoming less than 5% (five percent), then the Investors shall have a Tag Along Right to the extent of all the Equity Securities held by the Investors and all such Equity Securities shall be deemed to be the Tag Along Shares (defined below).

(b) If either Investor desires to exercise its Tag Along Right, it shall exercise the said right by giving the Transferring Promoter a written notice ("**Tag Along Exercise Notice**") to that effect within the ROFR Period relevant to such ROFR Notice, specifying the number of Equity Securities held by it with respect to which it has elected to exercise its Tag Along Right, ("**Tag Along Shares**") and upon giving such Tag Along Exercise Notice, the Investors and all such Equity Securities shall be deemed to have effectively exercised its Tag Along Right.

(c) In the event any Investor elects to exercise the Tag Along Right, the Transferring Promoter shall cause the Proposed Transferee to purchase from the relevant Investor, the Tag Along Shares at the same price per Equity Security at which the Transfer Shares are being purchased from the Transferring Promoter. The relevant Investor will not be required to make any representation, provide any covenants or undertakings, grant any indemnifications or incur any obligations to the Proposed Transferee or any other Person (other than in relation to authority and capacity). The Transferring Promoter shall ensure that all of the terms of the proposed Transfer offered by the Proposed Transferee are also offered to the tagging Investor for the same consideration, provided that the tagging Investor may choose to receive (in its absolute discretion) the cash equivalent of any such consideration, which is in a form other than cash.

(d) If for any reason, the Proposed Transferee acquiring the Transfer Shares hereunder is unable to or refuses to acquire the Tag Along Shares in respect of which any Investor has exercised its Tag Along Right (or any part thereof) within 60 (Sixty) days, then, at the sole option of such exercising Investor, the Transferring Promoter shall not be entitled to Transfer any of the Transfer Shares held by them in the Company to the Proposed Transferee.

10.4 The Promoters shall not make a sale or Transfer other than in the manner as set out in Articles 10.1, 10.2 and 10.3 if purported to be made, such sale or Transfer shall be void and shall not be binding on the Company and shall be deemed to be a breach of the provisions of these Articles.

10.5 All sales or Transfers of Equity Securities shall be subject to the proposed transferee, whether an Affiliate of the transferor or a Third Party, executing the deed of adherence.

11. EXIT RIGHT AND SECONDARY SALE

11.1 The Company shall provide to the Investors with a Viable Exit involving the sale of all of the Equity Securities held by the Investors at any time after the 4th (fourth) anniversary of the Series B Closing Date, but before the September 30, 2021 ("**Exit Period**"). The Board shall, with the consent of the Investors in the manner stated under Article 5.19:

(a) In case of an IPO, in consultation with a firm of independent merchant bankers, and subject to such statutory guidelines as may be in force, decide on:

(i) The method of listing the Equity Securities i.e. either:

(I) Through a public issue of fresh Equity Securities, or

(II) Through an offer of existing Equity Securities by some or all the Shareholders (an "**Offer of Existing Securities**"); or

(III) A combination of (I) and (II).

(ii) The price and other terms and conditions of the IPO.

(iii) The timing of the IPO.

(iv) The stock exchanges on which the Equity Securities are to be listed.

(v) Any other matters related to the IPO.

(b) In case of a Secondary Sale, the Investors may, by delivering a notice to the Company ("**Exit Notice**"), instruct the Company to make best efforts to arrange a buyer for the Equity Securities held by the Investors, at the fair market value of such Equity Securities, calculated in the manner provided in Article 12.1 (c) below ("**FMV**") ("**Secondary Sale**"). Within 1 (One) month of the Exit Notice, the Board shall appoint a reputed merchant banker (acceptable to the Investors) ("**Merchant Banker**") to find a buyer for the Equity Securities held by the Investors ("**Appointment Date**"). Alternately, upon the final determination of FMV as per Article 12.1 (c), (A) the Company may, at its sole discretion, identify a Third Party buyer for all of the Equity Securities held by the Investors, or (B) the Company may, at its sole discretion and subject to applicable Law, buyback the Equity Securities held by the Investors, or (C) the Promoters may elect to purchase, either by themselves or through their Affiliates, such Equity Securities, on the basis of the FMV so arrived at.

(c) The Promoters and the Investors shall, within 7 (Seven) Business Days of the Exit Notice, agree upon and appoint 2 (Two) reputed investment banks or Big Five Firms (each an "**Independent Valuer**"). If the Promoters and the Investors are unable to agree upon the 2 (Two) Independent Valuers, then the Investors shall appoint 1 (One) Independent Valuer ("**Investor Valuer**") and Promoters shall appoint 1 (one) Independent Valuer ("**Promoter Valuer**") to compute the fair market value of the Equity Securities held by the Investors ("**Preliminary Valuation**") and deliver a valuation report ("**Preliminary Valuation Report**") within a period of 1 (one) month of the Exit Notice ("**FMV Computation Date**"). In the event that the greater (in value) of the Preliminary Valuations ("**Greater Preliminary Valuation**") is equal to or less than 120% (one hundred twenty percent) of the lesser (in value) of the Preliminary Valuations ("**Lesser Preliminary Valuation**"), then the average of the 2 (two) Preliminary Valuations shall be the FMV. In the event that the Greater Preliminary Valuation is greater than 120% (one hundred twenty percent) of the Lesser Preliminary Valuation, then the Investor Valuer and the Promoter Valuer shall, within 7 (seven) Business Days from the FMV Computation Date, jointly select another reputed investment bank or Big Five Firm (not being either of the Independent Valuers) ("**Third Valuer**") to evaluate the 2 (two) Preliminary Valuation Reports and deliver a report, within 15 (fifteen) Business Days of its appointment, selecting 1 (one) of the 2 (two) Preliminary Valuations as the FMV. The selection of the FMV by such Third Valuer shall be the final and binding FMV.

(d) Any such Secondary Sale shall always be subject to it being a Viable Exit and the approval of the Investors.

(e) The Promoters shall offer as many Equity Securities in the IPO as may be required, under applicable Law, to enable the listing of Equity Securities of the Company. Notwithstanding the foregoing, in the event of the IPO by way of offer for sale, the Investors shall have the right (but not the obligation) to offer its Equity Securities for sale in the IPO.

(f) The Promoters hereby agree to vote in favour of and to do all acts and deeds necessary for effecting the Viable Exit. The Promoters agree that, in the event of a Secondary Sale, they shall offer additional shares up to a maximum of additional 7.5% (seven point five percent) of the Share Capital. The Promoters agree that, in the event of an IPO, they shall offer such number of their Equity Securities for a lock-in as may be required to meet the minimum lock-in requirements under the SEBI guidelines. The Investors shall not be required to call itself and the Company shall not refer to the Investor as "Founders" or "Promoters" in the offer documents nor will the Investors be required to offer any of its Equity Securities for such lockin.

(g) All costs in relation to the IPO (other than the listing fee which shall be solely borne by the Company) shall be shared between the Company and the shareholders selling shares in the IPO in accordance with applicable laws, upon the successful completion of the IPO. It is clarified that, in the event the IPO is not successfully completed and/or withdrawn and/or abandoned, all such cost and expenses shall be borne by the Company. All intermediaries shall be appointed by the Company in consultation with the Investors.

(h) The Company and the Promoters shall indemnify the Investors to the maximum extent permitted under applicable Laws, against any loss, claim, damage, Liability (including reasonable attorneys' fees), cost or expense arising out of or relating to any misstatements and omissions of the Company in any registration statement, offering document or preliminary offering document, and like violations of applicable securities laws by the Company or any other error or omission of the Company in connection with a public offering hereunder, other than with respect to information provided by such Investor, in writing, expressly for inclusion therein.

(i) The Company and Promoters shall provide an exit to the Investor in the manner provided in this Article 11.1 within 180 (one hundred and eighty) days from the date of receipt of the Exit Notice ("**Exit Grace Period**"). Provided that nothing herein shall restrict the Investors, at any stage, from Transferring its Equity Securities to any Third Party in accordance with the provisions of these Articles.

12. EXIT DEFAULT RIGHTS

12.1 In the event that the Investors have not been provided an exit during the Exit Grace Period, then at any time after the Exit Grace Period, the Investors, acting in response to a written offer ("**Offer**") by a Third Party (the "**Drag Sale Purchaser**") to enter into a Drag Sale, shall have the right (the "**Drag Sale Right**"), exercisable by written notice to the Company ("**Drag Along Notice**") to require the Promoters and any other Shareholders (collectively, the "**Dragged Shareholders**"), upon the same terms and price as specified in the Offer (i) to agree to sell such number of the Equity Securities of the Company as may be mandated by the Investors (at their sole option and discretion), held by such Dragged Shareholders (as may be stipulated by the Investors at their sole option and discretion) to the Drag Sale Purchaser in the Drag Sale; (ii) to vote or to agree to vote, as Shareholders of the Company and as holders of Equity Securities of the respective classes and series, in favour of the Drag Sale; (iii) to execute and deliver any and all agreements, certificates, deeds, instruments and other documents reasonably required in connection therewith and to take all other steps requested by the Investors to cause such Drag Sale to be consummated, including, as appropriate, exercising their best efforts to cause all directors under their Control or influence to vote, as directors, to approve the Drag Sale.

12.2 Upon receipt of the Drag Along Notice, the Company shall forthwith send such notice to all the Dragged Shareholders. A Drag Along Notice shall be revocable by the Investor by written notice to the Company at any time before the completion of the Drag Sale, and any such revocation shall not prohibit the Investors from serving a further Drag Along Notice subject to fresh compliance with the procedure laid down under this Article 12. On receipt of the Drag Along Notice, the Dragged Shareholders hereby agree and undertake not to directly or indirectly, approach the Drag Sale Purchaser to propose or negotiate any transaction in relation to the securities or assets of the Company.

12.3 In the case of a Drag Sale transaction which consists of a sale of Equity Securities of the Company, the Dragged Shareholders shall be obliged to sell and Transfer to the Drag Sale Purchaser such number of its Equity Securities as the Investors shall specify in writing, on the same terms and conditions as set out in the Offer.

12.4 In the case of a Drag Sale transaction, which consists of a sale of Assets or a merger or amalgamation, the Dragged Shareholders shall be obliged to approve, consent to and vote in favour of, and to cause any Directors under their respective control or influence to approve, consent to and vote in favour of, the Drag Sale and any distribution of proceeds in connection therewith, and to execute and deliver all agreements, instruments and other documents which the Investor may reasonably deem necessary or appropriate in connection with the execution and consummation of the Drag Sale and the distribution of proceeds.

12.5 Without limiting the foregoing, the Dragged Shareholders and the Company shall use their best endeavours to procure that any other Shareholders (including Shareholders not being parties to the amended SHA) participate in, consent to, vote for and raise no objections against such Drag Sale or the process pursuant to which such Drag Sale was arranged, and shall take all necessary and desirable actions in connection with the consummation of the Drag Sale. Each Dragged Shareholder irrevocably and unconditionally waives all its rights of pre-emption (if any, and whether arising under the Charter Documents of the Company or otherwise) in relation to any and all Transfers of Equity Securities pursuant to a Drag Sale. The Investors shall only be required to provide representations, warranties and indemnities solely relating to the authority and capacity of the Investors to execute the transaction documents effecting to the Drag Sale.

12.6 Within 5 (Five) Business Days after registering any Transfer of the Equity Securities, the Company shall send a notice to each Shareholder stating that such Transfer has taken place and setting forth the name of the transferor, the name of the transferee and the number of the Shares Transferred.

12.7 Expenses of any legal, accounting or investment banking advisors engaged by the Investors and for any other out of pocket expenditure pursuant to the exercise of the Drag Sale Right and in connection with the negotiation, exercise and consummation of any Drag Sale pursuant to the exercise of the Drag Sale Right, shall be borne by the Promoters and Investors, pro rata to their shareholding, transferred in such Drag Sale.

13. RIGHT OF INSPECTION

13.1 The Investors shall, at all times, by giving a notice of at least 3 (three) days, be entitled to carry out inspection of site, stores, accounts, documents, records, premises, and equipment and all other property of the Company during normal working hours through its authorized representatives or agents subject to execution of confidentiality and nondisclosure agreements with the Company or the Investors at its own cost and the Company shall use reasonable efforts to provide such information, data, documents, evidence as may be required for the purpose of and in the course of such inspection in connection therewith. The Investors shall be entitled, at its own cost and expense, to consult with the statutory auditors of the Company regarding the financial affairs of the Company. It shall be the responsibility of the Promoters to ensure that the obligations under this Article are given full effect.

13.2 The Company and the Promoters shall take all necessary and desirable actions in connection with the exercise of the Investor's rights under Articles 11 and 12 hereof, including without limitation, the timely execution and delivery of such agreements and instruments and other actions reasonably necessary to co-operate with all prospective purchasers of the Equity Securities of the Company ("**Third Party Purchasers**"), to provide such access and information as may be requested by Third Party Purchasers, co-operating in any due-diligence conducted by Third Party Purchasers.

14. INFORMATION RIGHTS

14.1 The Company shall deliver to the Investors (in relation to the Company), the following information:

(a) as soon as practicable, but in any event within 120 (one hundred and twenty) days after the end of each fiscal year of the Company, the audited Financial Statements (including the management letter from the auditor);

(b) as soon as practicable, but in any event within 45 (forty five) days after the end of each quarter of each fiscal year of the Company, unaudited quarterly management accounts;

(c) as soon as practicable, but in any event no later than 30 (thirty) days prior to the end of each fiscal year, the Annual Budget and Business Plan for the next fiscal year;

(d) as soon as practicable, but in any event within 21 (twenty one) days after the end of each month, monthly management reports based on a format to be mutually agreed between the Investors and the Company;

(e) as soon as practicable, copies of any reports filed by the Company with any Governmental Authority including copies of all filings (including tax returns) made with Governmental Authority or such other filings as may be requested by the Investors, from time to time;

(f) as soon as practicable, but in any event within 15 (Fifteen) days of such meeting, minutes of the general meetings and Board Meetings; and

(g) promptly upon request by the Investor, but in any event within 30 (Thirty) days, such other information as the Investors may from time to time reasonably request.

14.2 The Financial Statements delivered under this Article 14 shall be prepared in English in accordance with Indian GAAP consistently applied with past practice for prior periods and shall be accompanied by a certificate signed by the Chairman of the Company certifying that such Financial Statements conform to the requirements of this Article 14 and fairly present the financial condition of the Company and its results of operation for the periods specified therein, subject to year-end audit adjustment.

14.3 All management reports to be provided by the Company under this Article 14 shall include a comparison of the financial results with the corresponding quarterly and Annual Budgets.

15. INVESTOR SHARES; ADDITIONAL RIGHTS AND FALL AWAY OF RIGHTS

All Equity Securities of the Company acquired or held by the Investors from time to time and rights of the Investors attached thereto or detailed hereunder shall be freely transferable and assignable by the Investors and their successors in interest to its (or their) Affiliates and to third parties except the entities listed in Schedule V of the SHA, without conditions or restrictions; provided that the combined rights of the Investors and such Affiliate or third Party under these Articles shall not exceed the rights granted to the Investors under these Articles.

15.1 The Investors shall be entitled to the benefit of all additional rights that any existing shareholder or future investor may be provided.

15.2 If the Investors ceases to hold at least 7.5% (seven point five percent) of the Share Capital, it shall cease to enjoy the rights under Article 5.2, Article 5.12, Article 5.19, Article 6.6. All other rights of the Investors including Article 6.2(c), Article 10.3, Article 17, Clause 3.3 of the Schedule II and Schedule VII (as the case may be) of the SHA and Clause 10 of the Series B SSSPA shall continue to apply.

16. INVALID TRANSFERS

The Company shall refuse to register any Transfer or other disposition of Equity Securities purported to be made by any Promoter in breach of any of the provisions herein contained. The Board shall cast their votes in such a manner as to ensure that the Company registers all Transfers made in accordance with these Articles, and refuses to register a Transfer that is not in accordance with these Articles.

17. LIQUIDATION PREFERENCE

17.1 In the event of a Liquidation Event, the proceeds from the Liquidation Event (less any amounts required by Law to be paid or set aside for the payment of creditors of the Company, if applicable) ("**Liquidation Proceeds**") shall be paid or distributed in the manner set out in Clause 2 of Schedule II and Clause of Schedule VII (as applicable) of the SHA.

17.2 In the event a Liquidation Event which occurs after some or all of the Series A CCCPS and/or Series B CCCPS have been converted into Equity Shares by the Investors, the Investor shall, in relation to the so-converted Equity Shares be entitled to the pro rata Liquidation Entitlement as set out in Schedule II and Schedule VII of the SHA, as if the conversion into Equity Shares had not occurred. Such Liquidation Entitlement set out herein shall override any other provision, which may make any stipulation of the price payable to the Investors upon the Transfer of Equity Securities by the Investors.

18. BORROWINGS & FUNDING

18.1 The Company and the Shareholders hereto expressly agree that in the event the Company proposes to borrow funds from any Person, including but not limited to banks and financial institutions, the Investor shall not be asked, or be required to give any warranties, letters of comfort, collateral or guarantees, of any nature whatsoever for any loans or with regard to any aspect of the business or functioning of the Company.

18.2 The Investors shall not be required to pledge its Equity Securities or provide any support to any Third Party, including but not limited to lenders of the Company.

19. FINANCIAL ACCOUNTING AND AUDITS

19.1 **Financial and accounting records**

(a) The Company shall maintain true and accurate financial and accounting records of all operations in accordance with all relevant Indian statutory and accounting standards and the policies from time to time adopted by the Board. The Financial Statements and accounts of the Company shall be prepared in English and shall be audited on an annual basis.

19.2 **Statutory Auditors**

(a) The Company shall retain a Big Five Firm as the statutory auditor for the entire currency of these Articles.

(b) The Company shall retain an internal auditor for the entire currency of these Articles.

20. ACCOUNTS

20.1 The Company shall keep at its Registered Office or such other place as may be decided by the Board, the books of accounts of the Company.

20.2 Board shall cause to be prepared and place before the Company in the annual general meeting audited Balance Sheet and Profit and Loss Account, copy of which should be sent to all the members entitled thereto along with the notice of the meeting. Accounts once adopted may be amended at a later meeting of the shareholders by ordinary resolutions.

21. INSURANCE

21.1 The Company shall maintain the fire and other basic insurance coverages with respect to the Business of the Company in a form and for an amount acceptable to the Investors; and

21.2 The Company shall maintain adequate directors' and officers' liability insurance for all the members of its Board including the Investor Directors, in a form and amount acceptable to the Investor.

22. GOOD INDUSTRY PRACTICES

The Company shall and the Promoters shall cause the Company to comply with applicable Laws in the conduct of its business and affairs and shall conduct itself and operate in accordance with good industry practices, the terms of applicable Laws (including applicable Laws regulating foreign investment and exchange control), and any approvals received in terms thereof.

23. PROMOTER STATUS

(a) The Company and the Promoters undertake that neither the Investors nor its Affiliates shall be named or deemed as 'promoters' or 'sponsors' of the Company nor shall any declaration or statement be made to this effect, either directly or indirectly, in filings with regulatory or Governmental Authorities, offer documents or otherwise without the prior written consent of each of the Investor in writing.

(b) The Company and the Promoters further undertake that none of the Investors, their respective officials, employees, nominee directors, managers, representatives and agents shall not be named or deemed as an 'occupier' or 'officer in charge' under any applicable Laws. In the event any Governmental Authority takes a view or draws an inference that any of the Investors or their Affiliates or its officials, employees, nominee directors, managers, representatives or agents, is a 'sponsor', 'occupier' or 'officer in charge', then the Company and the Promoters shall cooperate with the Investors to make such representations and make full disclosures to each of the Investors or such Governmental Authority as may be required by the Investors to dispel or correct such inference or view.

(c) The Promoters further undertake that they shall not hold shares or directorships or equivalent positions in any other company or other Person, apart from the Company and its Subsidiaries, without the prior written consent of each of the Investors. Provided that this will not restrict the Promoters from investing up to 2% (two percent) of a listed company's securities, as long as such investment is not accompanied by any corporate governance or management rights.

(d) The restrictions under Article 23(c) will not be applicable to Mr. Parag; nor to the Promoters' shareholding and directorships in Halogen existing as on date.

24. ETHICAL PRACTICES

The Company and its officers, Directors, employees and agents shall, and the Promoters shall cause the Company to engage only in legitimate business and ethical practices in commercial operations and, in relation to Governmental Authorities. None of the Company or any of its officers, employees or agents shall otherwise pay, offer, promise or authorize the payment, directly or indirectly, of any monies or anything of value to any government official or employee or any political party for the purpose of influencing any act or decision of such official or of any Governmental Authority to obtain or retain business, or direct business to any Person.

25. FILINGS

The Company shall act in good faith and take all steps and make all filings with the relevant Governmental Authority, as are necessary, from time to time, to maintain all consents, approvals and licenses that it requires for the conduct of its business and operations.

26. TAX COVENANTS

The Company and the Promoters shall act in good faith and shall pay all the Taxes (direct and indirect), duties, cess, fees or any other amount payable (whether by way of Tax or otherwise) as determined by the Government/ or any regulatory authority in India, under the applicable Laws of India. Further, the Company, and the Promoters shall take all steps to make the necessary tax filings under the applicable Laws of India (including but not limited to the return of income for the relevant financial years, withholding Tax returns etc.).

27. ANNUAL BUDGET

The Annual Budget and Business Plan for each Financial Year shall be discussed and approved by the Board, which approval will require an affirmative vote by the Investors, no later than 30 (Thirty) days before the beginning of such Financial Year. The Promoters and the Company shall take all steps necessary, including the exercise of their rights at general meetings and causing their nominee Directors to exercise their rights at Board Meetings, to ensure that the Company operates the Business in accordance with the terms of the Annual Budget and the Business Plan agreed from time to time.

28. FCPA

The Company represents that it shall not and shall not permit any of its Subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any third party, including any Non-U.S. Official (as defined in the FCPA), in each case, in violation of the FCPA, the UKBA, the PCA or any other applicable anti-bribery or anticorruption law. The Company further covenants, undertakes and represents that it shall and shall cause each of its Subsidiaries and Affiliates to cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, UKBA, the PCA or any other applicable anti-bribery or anti-corruption law. The Company further covenants, undertakes and represents that it shall and shall cause each of its Subsidiaries and Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the UKBA, the PCA or any other applicable anti-bribery or anti-corruption law.

29. PFIC COVENANT

29.1 The Company acknowledges that certain investors may be, or may be comprised of investors that are, U.S. persons and that the U.S. income tax consequences to those persons of the investment in the Company will be significantly affected by whether the Company and/or any of the entities in which it owns an equity interest at any time is (i) a "passive foreign investment company" (within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended) (a "**PFIC**") or (ii) classified as a partnership or a branch for U.S. federal income tax purposes.

29.2 The Company shall determine annually, with respect to its taxable year (i) whether the Company and each of the entities in which the Company owns or proposes to acquire an equity interest (directly or indirectly) is or may become a PFIC (including whether any exception to PFIC status may apply) or is or may be classified as a partnership or branch for U.S. federal income tax purposes, and (ii) to provide such information as any direct or indirect shareholder may request to permit such direct or indirect shareholder to elect to treat the Company and/or any such entity as a "qualified electing fund" (within the meaning of Section 1295 of the U.S. Internal Revenue Code of 1986, as amended) for U.S. federal income tax purposes. The Company shall also obtain and provide reasonably promptly upon request any and all other information deemed necessary by the direct or indirect shareholder to comply with the provisions of these Article, including English translations of any information requested.

29.3 The Company's reasonable costs of compliance under this Article shall be borne by the Investors.

30. CAPITALISATION

Subject to the provisions of the Act and Article 5.19, if resolved at the General Meeting any monies, investments or assets forming part of undivided profits standing to the credit or reserve fund at the disposal of the Company and available for dividends (or as share premium Account) may be capitalized and distributing among the members who are entitled for divided and in the same proportion, be applied to make the partly paid shares as fully paid for in issuing fully paid bonus shares or partly in one way and partly in other.

31. THE SEAL

The Company may have common seal. The Board shall provide for the safe custody of the common seal. The common seal of the Company shall not be affixed to any instrument except by the authority of the Board of directors and in the presence of the Director and or any person authorized by the Board who shall sign every instrument to which the seal of the Company is so affixed his presence. The Company can have an official seal use aboard.

32. WINDING UP

The liquidator on any winding up (voluntary or compulsory) may with the sanction of a special resolution but subject to the rights attached to any preferences share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction may think fit.

33. INDEMNITY AND RESPONSIBILITY

Subject to the provisions of the Act and these Articles, the Directors and every other Officer for the time being of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, costs, charges, losses, and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective office or trust, except if such (if any) as they shall incur or sustain by or through their own willful neglects or defaults respectively.

34. SECRECY

34.1 Every Promoter Director, Secretary, Auditor or any other officer or employee of the Company shall, if so required by the Directors, before entering upon duties sign a declaration pledging to observe a strict secrecy in respect of all the affairs of the Company.

34.2 Subject to conferred by law no member shall be entitled to visit or inspect any accounts, books, documents or work of the Company without the permission of the Directors or require discovery of any of Company trade secrets, process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to disclose.

35. ENTRENCHMENT

In accordance with the provisions of Section 5(3) and 5(4) of the Companies Act, 2013, the following Articles are hereby entrenched and shall not be amended or modified except by way of a special resolution and the prior written consent of Investors:

(a) *Article 5 - Management of the Company*

(b) *Article 6 - Shareholders Meetings*

(c) *Article 9.1(a)- Dividend Rights*

(d) *Article 7-Pre-emptive rights for new issues of equity securities*

(e) *Article 10- Transfer of Shares*

(f) *Article 11- Exit Rights and Secondary Sale*

(g) *Article 12- Exit Default Rights*

(h) *Article 13- Right of Inspection*

(i) *Article 14-Information Rights*

(j) *Article 15- Investor Shares; Additional Rights and fall away of rights*

(k) *Article 16-Invalid Transfers*

(l) *Article 17 Liquidation Preference*

(m) *Article 19- Financial Accounting and Audits*

(n) Article *21-Insurance*

(o) *Article 22- Good industry practices*

(p) *Article 23- Promoter status*

(q) *Article 24- Ethical practices*

(r) *Article 25- Filings*

(s) *Article 26- Tax Covenants*

(t) *Article 27- Annual Budget*

(u) *Article 28-FCPA*

(v) *Article 29-PFIC Covenant*

(w) *Article 35 - Entrenchment Provision*

ANNEXURE A

(i) any amendment of the Company's Memorandum or Articles of Association;

(ii) any alteration with respect to the rights of any class of shares (including the rights attached to the Series A CCCPS) and issuance of Equity Securities, or any modification in the capital structure of the Company;

(iii) authorizing the creation, issuance, re-issuance, repurchase, redemption or buy-back of any new class of shares or stock options or other securities;

(iv) redeeming/buying back shares above exercise price or share issue price upon termination of an officer, employee or director or consultant pursuant to a restricted stock purchase agreement and buy back of unvested shares held by the Promoters and Key Employees of the Company;

(v) any change in the size of the ESOP and employee option grants as under these Articles;

(vi) approval of, and any deviations from the Annual Budget (in excess of 10% (ten percent)) or the Business Plan;

(vii) adoption of, and any supplement to, revision of, or deviation of over 10% (ten percent) from the approved Business Plan or Annual Budget, and any activity by the Company which is inconsistent with the approved Business Plan or Annual Budget in any material respect;

(viii) any grant of options or allotment of shares under the ESOP or management stock option scheme (by whatever name called);

(ix) any change in the number, manner of election, or term of office of the Directors;

(x) authorize any or set aside for payment or pay any dividend or distribution on or redemption/buy back of any Equity Securities;

(xi) any winding-up, liquidation or dissolution of the Company, or filing for "bankruptcy" or "sick company" or similar protection from creditors;

(xii) an IPO/public offer/offer for sale;

(xiii) any merger, acquisition, recapitalization, or restructuring of the Company's authorized and paid-up share capital, business combination, consolidation, reorganization, or other change of Control of the Company;

(xiv) any sale, Transfer, mortgage of all or a principal part of the Company's Assets or property (excluding raw materials, inventory, and finished goods) or any Transfer in the form of an exclusive license of intellectual property rights or any change in the scope of the Company's business (including the entering into new business or ceasing any existing business);

(xv) any creation of Encumbrance/lien against any Asset or right of the Company (including any IP Rights or other intangible property or rights) or any incurrence by the Company of absolute or contingent indebtedness for borrowed money, or any assumption or guarantee by the Company of any Liability of any Person (other than transactions incurred in the ordinary course of Company's business for an amount exceeding INR 4,00,00,000/- (Rupees Four Crores only) in the aggregate);

(xvi) any material change in the terms of employment, including the hiring and firing of any Key Employee, including hiring, suspension and termination, and including any change in the rights, duties and terms of compensation;

(xvii) any transaction between the Company or any of its Subsidiaries with any related party;

(xviii) any change in the Business;

(xix) any change in the accounting or tax policies of the Company;

(xx) appointment and removal of independent internal and statutory auditors, including the scope of work, terms of reference, or any modifications, changes thereto;

(xxi) any purchase or other acquisition by the Company of tangible or intangible assets or of shares or other Equity Securities in any Person other than a wholly-owned Subsidiary for a purchase price greater than INR 5,00,00,000/- (Rupees Five Crores Only);

(xxii) entering into any joint venture, partnership or similar arrangement by the Company.

(xxiii) any creation of any Subsidiary of the Company whether by formation, acquisition or otherwise or any dissolution or divesting from any Subsidiary;

(xxiv) incurring any single item of capital expenditure greater than INR 50,00,000/- (Rupees Fifty Lakhs Only) and not provided for under the Annual Budget or the Business Plan;

(xxv) to authorize or enter into any contract, including without limitation, any collective bargaining agreement, or any employment, management or consulting contract, providing for aggregate payments in excess those amounts provided for in the Business Plan; and

(xxvi) any change in status of the Company between a private limited company and public limited company.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated November 11, 2020 among our Company, the Selling Shareholders, and the Book Running Lead Managers.

2. Registrar Agreement dated November 9, 2020 among our Company, the Selling Shareholders, and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, and the Bankers to the Offer.

4. Share Escrow Agreement dated [●] among our Company, the Selling Shareholders, and the Share Escrow Agent.

5. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the Book Running Lead Managers, the Syndicate Members, and the Registrar to the Offer.

6. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, and the Underwriters.

7. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated March 28, 2000 issued to our Company, under the name Indigo Paints Private Limited by the RoC.

3. Fresh certificate of incorporation dated August 20, 2020 issued by the RoC, consequent upon change from Indigo Paints Private Limited to Indigo Paints Limited, pursuant to conversion to a public limited company.

4. Resolution of the Board of Directors dated September 29, 2020, authorising the Offer and other related matters.

5. Shareholders' resolution dated October 7, 2020, in relation to the Fresh Issue and other related matters.

6. Resolution of the Board of Directors dated November 5, 2020 and IPO Committee on November 11, 2020, approving this Draft Red Herring Prospectus.

7. Resolution of the board of directors of Sequoia IV dated October 30, 2020, consenting to participate in the Offer for Sale.

8. Resolution of the board of directors of SCII V dated October 30, 2020, consenting to participate in the Offer for Sale.

9. Consent letter dated October 30, 2020 provided by Sequoia IV, consenting to participate in the Offer for Sale.

10. Consent letter dated October 30, 2020 provided by SCII V, consenting to participate in the Offer for Sale.

11. Consent letter dated October 29, 2020 provided by Hemant Jalan, consenting to participate in the Offer for Sale.

12. Employment agreements (i) dated October 15, 2020 entered into between our Company and our Managing Director, Hemant Jalan; (ii) dated October 22, 2020 entered into between our Company and our Executive Director, Anita Jalan; and (iii) dated October 22, 2020 entered into between our Company and our Executive Director, Narayanan Kutty Kottiedath Venugopal.

13. Share Subscription Agreement and Share Purchase Agreement, each dated February 8, 2016 entered into by and among our Company, SCII V, and our Promoters.

14. Amended and restated shareholders' agreement dated February 8, 2016 entered into by and among our Company, Sequoia IV, SCII V, and our Promoters as amended by the amendment agreement dated October 27, 2020.

15. Copies of the audited financial statements along with the auditor report and directors' report of our Company for Fiscals 2020, 2019 and 2018.

16. The examination report dated November 5, 2020 of the Statutory Auditors on our Restated Financial Statements.

17. The report dated November 8, 2020 on the statement of possible special tax benefits from the Statutory Auditors.

18. Consent letters of the Directors, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to our Company as to Indian Law, Indian Legal Counsel to the Investor Selling Shareholders, Legal Counsel to the Book Running Lead Managers as to Indian Law, Legal Counsel to the Book Running Lead Managers as to International Law, each of the Selling Shareholders, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Compliance Officer, to act in their respective capacities.

19. Consent letter dated November 11, 2020 from S R B C & CO LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated November 5, 2020 on our Restated Financial Statements; and (ii) their report dated November 8, 2020 on the statement of possible special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

20. Consent letter dated November 6, 2020 from the independent chartered engineer, namely, Philip Kuriakose (registration number: M122505-1), to include his name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his two certificates, each dated November 6, 2020, certifying the capacity utilisation of the manufacturing facility at Kochi for liquid paints (comprising emulsion paints, primers and other products, as applicable) and the capacity utilisation of the manufacturing facility at Pudukkottai for liquid paints (comprising enamels, primers, wood coatings and others, as applicable) and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

21. Consent letter dated November 6, 2020 from the independent chartered engineer, namely, Satendra Singh Yadav (registration number: M-1548217), to include his name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in his capacity as a chartered engineer, in relation to his certificate dated November 6, 2020 certifying the capacity utilisation of the manufacturing facilities at Jodhpur for liquid paints (comprising emulsion paints, distempers and primers) and powder paints and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

22. Consent letter dated November 9, 2020 from an independent architect, namely, A. Lokhandwalla (membership no. CA/78/4430) and an independent certified engineer, namely, Satish Patankar (registration no. M1Z6575-4) to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an architect and as a certified engineer, respectively, in relation to the certificate dated November 9, 2020 issued by them, for and on behalf of EVL Consultants LLP, a project consultancy firm, certifying, among others, the capacity of the plant to be installed, proposed schedule of implementation, details of civil works, in relation to the proposed expansion of the existing manufacturing facility at Pudukkottai and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

23. Report titled ‘Independent Market Report for Paints Sector in India’ dated November 9, 2020 issued by Frost & Sullivan (India) Private Limited.

24. Supply agreement dated October 26, 2020 between our Company and Corob India Pvt. Ltd for purchase of the tinting machines and gyroshakers.

25. Due diligence certificate dated November 11, 2020, addressed to SEBI from the Book Running Lead Managers.

26. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

27. SEBI observation letter bearing reference number [●] and dated [●].

28. Tripartite agreement dated July 30, 2019 among our Company, NSDL and the Registrar to the Offer.

29. Tripartite agreement dated October 8, 2020 among our Company, CDSL and the Registrar to the Offer.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant laws.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Hemant Jalan *Managing Director*	
Anita Jalan *Executive Director*	
Praveen Kumar Tripathi *Independent Director*	
Sunil Goyal *Independent Director*	
Narayanan Kutty Kottiedath Venugopal *Executive Director*	
Sakshi Chopra *Nominee Director*	
Ravi Nigam *Independent Director*	
Ravi Shankar Ganapathy Agraharam Venkataraman *Alternate Director to Sakshi Chopra*	
Nupur Garg *Independent Director*	

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Chetan Humane
(*Chief Financial Officer*)

Date: November 11, 2020

DECLARATION

We, Sequoia Capital India Investments IV, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF SEQUOIA CAPITAL INDIA INVESTMENTS IV

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Name: Aslam Koomar

Designation: Director

Date: November 11, 2020

DECLARATION

We, SCI Investments V, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, as an Investor Selling Shareholder and our Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF SCI INVESTMENTS V

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Name: Resmah Mandary

Designation: Director of SCI Investments V

Date: November 11, 2020

DECLARATION

I, Hemant Jalan, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to myself, as a Promoter Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY HEMANT JALAN

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Date: November 11, 2020