Initial Public Offer

JANUARY 16, 2021

IPO Note

(Note: All the information in this note is taken from RHP)

INDIAGO PAINTS LTD

NOT RATED

Offer Details

Details of The offer

Particulars	Details
Price band (Rs/share)	Rs.1488/- to Rs.1490/- per equity share
Opening date of the Issue	Wednesday, January 20 , 2021
Closing date of the issue	Friday, January 22, 2021
No. of shares pre-issue (nos. Lacs)	**455.6**
Fresh Issue (nos. Lacs)*	20.14
Offer for sale (nos. Lacs)*	58.40
No. of shares post-issue (nos. Lacs)*	**475.74**
Issue size (Rs Cr)*	**1170**
Face Value (Rs/ share)	Rs.10/- per share.
Bid Lot	10 equity share and in multiple thereof.
Book Building	
QIBs (Including Anchor)	50%
Non-Institutional	15%
Retail	35%
Employee reservation	70000 shares (discount of Rs 148 per share)
Lead managers	Kotak Mahindra Capital, Edelweiss Financial Services Limited, ICICI Securities Limited.
Registrar to the issue	Link Intime India Pvt. Ltd.
Listing	BSE & NSE.

*Source: Company & Company RHP, * Based on upper price band*

Capital Structure

Holder	No of Shares (Lakh)	% Held
Promoter & Promoter Group (Jalan Family)	273.60	60.05
With Public and funds	182.00	39.95
Offer for sale	58.40	
Fresh Issue	20.14	
Post offer no of shares	475.74	
Post offer Promoter shares	256.90	54.00

Source: Company's RHP

Objects of the issue

The company intends to utilize the Net Proceeds towards funding of the following objects:

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

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Further, the Company expects to receive the benefits of listing of the Equity Shares, including to enhance its visibility and brand image with existing and potential customers.

Proposed utilization of the Net Proceeds of Fresh Issue

Purpose	Rs Crores
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	150.0
Purchase of tinting machines and gyroshakers	50.0
Repayment/prepayment of all or certain of their borrowings	25.0
General Corporate Purpose	NA

Source: Company RHP

Selling shareholder details

Offer for Sale	*No of shares	Amount in crores
Sequoia IV	20,05,000	298.75
SCII V	21,65,000	322.59
Hemant Jalan (Promoter family)	16,70,000	248.83

*Source: Company RHP, * Based on upper price band*

About the Company

Indigo Paints Limited is fastest growing amongst the top five paint companies in India. The company is the fifth largest company in Indian decorative paint industry in terms of their revenue from operations for Fiscal 2020 (Source: F&S Report). The company has achieved this position in a highly competitive Indian decorative paint industry on the back of their multi-pronged approach. This includes introducing differentiated products to create a distinct market in the paint industry, building brand equity for their primary customer 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 its network of dealers.

To create demand for their differentiated products, the company 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). The company subsequently leveraged this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well. The company manufactures a complete range of decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties and cement paints. The Company's also identify potential product need from customers and introduce differentiated products to meet these requirements, and create a distinct market for their products. For instance, Indigo Paints Limited is the first company to manufacture and introduce certain differentiated products in the decorative paint market in India, which includes their Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions, Floor Coat Emulsions, Dirt proof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel (**"Indigo Differentiated Products"**) (Source: F&S Report).

The company engaged Mr. Mahendra Singh Dhoni, a sportsperson with Pan-India appeal, as their brand ambassador, to enhance its brand image amongst end-customers. The company concentrated these branding efforts on their differentiated products and then leveraged these efforts to increase distribution and sale of their complete range of decorative paint products.

As of September 30, 2020, the company owns and operates three manufacturing facilities located in Jodhpur (Rajasthan), Kochi (Kerala), 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. The company's manufacturing facilities are strategically located in close proximity to raw material sources that reduces inward freight costs, lowering its cost of raw materials. The company also intends to expand their manufacturing capacities at their facility at Pudukkottai in Tamil Nadu, by adding capacities to manufacture water-based paints to cater to the growing demand for these paints.

Competitive Strengths

Track record of consistent growth in a fast growing industry with significant entry barriers

Company is the fastest growing amongst the top five paint companies in India. It is the fifth largest company in the Indian decorative paint industry in terms of 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). The company believes that its differentiated, strategic approach in addressing these issues has resulted in its continued success.

Differentiated products leading to greater brand recognition and enabling expansion into a complete range of decorative paint products

Company is consistently seeking to launch first-to-market products by identifying niche product opportunities and introducing products that address these requirements. It is the first company to introduce certain category-creator products, including Metallic Emulsions, Tile Coat Emulsions, Bright Ceiling Coat Emulsions and Floor Coat Emulsions in the decorative paint market in India (Source: F&S Report). Other products that were introduced include Dirt proof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and PU Super Gloss Enamel (Source: F&S Report), that comprise its value-added product portfolio. These category-creator and value-added products comprise the portfolio of Indigo Differentiated Products and are differentiated from other products based on their end-use specifications and in terms of certain added properties.

Focused brand-building initiatives to gradually build brand equity

The company has strategically undertaken brand-building initiatives to gain visibility with prudent use of resources, gradually increasing branding and marketing expenses consistent with the growth of its business. Its advertisement and sales promotion expenses represented 11.22%, 12.63%, and 12.65% of its 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). Indigo Paints Media Advertising Spends (that are a part of advertising and sales promotion expenses) have gradually increased over the years, and amounted to Rs 615.15 million in Fiscal 2020. Its media advertising spend in Fiscal 2020 is comparable to the spend incurred by the major companies (excluding the market leader) (Source: F&S Report). The company believes its 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.

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). Indigo Paints has established its 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, it 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 the company engage with a larger base of dealers across Tier 3, Tier 4 Cities, and Rural Areas, which it subsequently leveraged to expand into larger cities and metros such as Kanpur (Uttar Pradesh), Kochi (Kerala), Thiruvananthapuram (Kerala), Patna (Bihar) and Ranchi (Jharkhand). The company first approached dealers in these markets with its Indigo Differentiated Products, being products with greater marketability, to improve penetration of its brand and strengthen its relationship with these dealers. The company then capitalized on these relationships to distribute a wider range of decorative paints. As of March 31, 2018, 2019, and 2020, Indigo Paints distribution network comprised 9,210, 10,246 and 11,230 Active Dealers in India, 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 Rs 163.9 billion in Fiscal 2019, and is expected to grow at a CAGR of 13.60% and amount to Rs 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). Indigo Paints through its focused branding efforts, been able to gain recognition within the Tier 3, Tier 4 Cities, and Rural Areas that it caters to, where the existing population of tinting machines is relatively low (Source: F&S Report). This has introduced the company to a large number of dealers that have few or no tinting machines at their premises, thereby making acceptance of its tinting machines at these locations relatively easier. The company is now gradually adding tinting machines at dealer outlets in larger cities and Metros as well.

Well-qualified and professional management team with a committed employee base

The company has a strong management team with considerable industry experience. The Promoter Mr. Hemant Jalan and Executive Director Mr. Narayanan Kutty Kottiedath Venugopal have been instrumental in the growth of Indigo Paints 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. The 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.

Company Product Portfolio

The company's portfolio of decorative paint products comprises emulsion paints, enamels, wood coatings, distempers, primers, putties and cement paints. They manufacture and sell most of their products under the "Indigo" brand of paints. The products are categorised into four price points: Platinum Series, Gold Series, Silver Series and Bronze Series.

Product-wise gross revenue (Rs crores)

Product category	FY18	FY19	FY20
Cement Paints and Putty	63.41	79.52	100.77
Emulsions	185.86	259.79	312.14
Enamels and Wood Coatings	97.49	120.58	123.47
Primers, Distempers and Others	96.36	134.68	152.54
Gross Revenue (Invoicing as per Contracted Price)	**443.12**	**594.58**	**688.91**

Source: Company RHP

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

Source: Company RHP

Manufacturing Units

The company owns and operates 3 manufacturing facilities in India, at Jodhpur in Rajasthan ("Jodhpur Facility"), Kochi in Kerala ("Kochi Facility") and Pudukkottai in Tamil Nadu ("Pudukkottai Facility"). As of September 30, 2020, the 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 products manufactured at the manufacturing facilities as of September 30, 2020

Manufacturing Facility	Emulsion Paints	Enamels	Wood Coatings	Distempers	Primer	Putties	Cement Paints	Other Products
Jodhpur, Rajasthan								
Unit 1	Yes			Yes	Yes			
Unit 2						Yes	Yes	
Kochi, Kerala	Yes				Yes			Yes
Pudukkottai, Tamil Nadu		Yes	Yes		Yes			Yes

Source; Company RHP

Distribution Network and Sales

As of September 30, 2020, the company distributed their products across 27 states and 7 union territories in India. In addition, they have a network of 14 Active Dealers in Bhutan. They had depots located across 20 states and 1 union territory in India.

Distribution network

	September ending		Fiscal		
Year	2020	2019	2020	2019	2018
Number of Active Dealers	10,988	10,842	11,230	10,246	9,210
Number of Depots	40	34	36	33	33

Source: Company RHP

Strategies

Continue to focus on developing differentiated products to grow market share

Indigo Paints intend to continue to grow its portfolio of differentiated products going forward as these products have widened the end-user base that they cater to and typically have a higher margin profile than other decorative paint products. In particular, the company 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.

Further strengthen brand to consolidate position as a leading paint company in India

The company is making consistent efforts to strengthen the "Indigo" brand and increase brand recall through marketing initiatives. It has consciously developed its 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. They have also standardized its 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.

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

The company's key focus is to increase its penetration in the markets where they currently operate by replicating the same proposition that has helped them grow in the past. There is significant untapped opportunity in Metros and larger cities (Source: F&S Report) that can be capitalized by expanding its distribution network. In states where Indigo Paints is present for a significant period of time such as Kerala, West Bengal, Bihar, Jharkhand, Chhattisgarh, Odisha and Uttar Pradesh, they have expanded their existing network in Tier 3, Tier 4 Cities, and Rural Areas, outwards into Tier 1 and Tier 2 Cities.

Expand manufacturing capacities

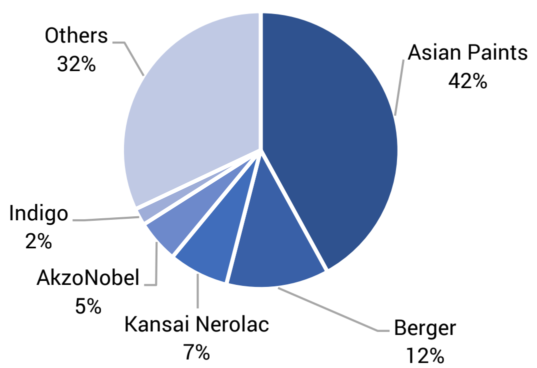
Indigo Paints intends to expand its manufacturing capacities to aid its growth efforts and consolidate its pan-India presence. To cater to the increased demand for water-based paints, the company intends to use a part of the Net Proceeds towards expansion of its manufacturing facilities. Consumption 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).

Brief Comparison

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.

Competitive landscape of the Indian decorative paint industry (Rs 403 bn) for 2019



Source; Company Websites, Frost & Sullivan, Company RHP

Growth of revenue from operations

	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, Company RHP

Gross Margins

	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, Company RHP

EBIDTA Margins

	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, Company RHP

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
Akzo Nobel 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 discount	

Source; Company Websites, Company RHP

Covid19 impact & Indigo Paints

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

- Temporary shutdown of the manufacturing facilities or sales depots due to government restrictions;
- Decrease in sales of the products, particularly in the first half of Fiscal 2021 including on account of cost control measures implemented by their dealers and/ or end-customers;
- Inability to utilize their workforce including because of travel or government restrictions, such as stay at home orders, or illness of their employees due to COVID-19 and associated quarantining requirements, which resulted in a slowdown in their operations;
- Disruptions to their 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 their proposed expansion plans/ product development activities;

- Delays in orders or delivery of orders, and if prolonged may negatively impact their cash conversion cycle and ability to convert their 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 the credit facilities and other financing agreements, which could result in events of default and the acceleration of repayment;
- Potential negative impact on the health of the employees, particularly if a significant number of them are afflicted by COVID-19, resulting in a deterioration in company's 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, the company cannot predict the impact that the COVID-19 pandemic will have on their dealers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact the company.

Further, the company generate almost all of their 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 their business and operations, it may also have the effect of heightening many of the other risks.

Key Risk Factors

- The continuing impact of the COVID-19 pandemic on the company's business and operations is uncertain and it may be significant and continue to have an adverse effect on the business, operations and future financial performance.
- The company's ability to grow their business depends on their relationships with its dealers and the community of painters, and any adverse changes in these relationships, or their inability to enter into new relationships, could negatively affect its business and results of operations.
- Company's Restated Financial Statements disclose certain contingent liabilities as per Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets, which if materialize, may adversely affect the business, financial condition, cash flows and results of operation
- Some of their 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 the business, financial condition, results of operations, and cash flows.

Financials

Profit/Loss account in Rs Crores

Particulars	FY18	FY19	FY20	H1FY20	H1FY21
Revenue from operations	401.5	535.6	624.8	272.6	259.4
Other income	1.6	1.6	1.6	0.8	0.8
Total income	**403.1**	**537.3**	**626.4**	**273.4**	**260.2**
Expenses					
Cost of raw materials	221.6	296.5	321.1	151.0	123.8
Purchase of traded goods	5.6	8.1	10.9	4.6	5.4
Decrease/ (increase) in inventories	4.1	-6.1	-10.0	-10.1	6.0
Excise duty on sale of goods	6.4	0.0	0.0	0.0	0.0
Employee benefits expense	30.3	36.4	42.0	21.0	22.0
Finance costs	4.5	4.7	5.6	2.8	2.5
Depreciation and amortisation expense	9.0	17.1	19.6	9.6	11.2
Other expenses	107.7	146.6	169.9	82.7	54.1
Total expenses	**389.2**	**503.2**	**559.0**	**261.6**	**225.0**
Restated profit before exceptional & Taxes	13.9	34.0	67.4	11.8	35.2
Exceptional items	1.3	0.3	0.0	0.0	0.0
Tax expense	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Current tax	-0.3	4.8	14.7	1.6	9.3
Deferred tax (including MAT)	-	2.0	4.9	4.2	-1.3
Total tax expense	**-0.3**	**6.8**	**19.6**	**5.8**	**8.0**
Restated profit for the year	**12.9**	**26.9**	**47.8**	**6.0**	**27.2**
EPS	**2.8**	**5.9**	**10.5**	**1.3**	**6.0**

Source: Company RHP

Balance Sheet in Rs crores

Particulars	FY18	FY19	FY20	H1FY20	H1FY21
ASSETS					
Non-current assets					
Property, plant and equipment	61.4	86.4	142.0	90.4	140.4
Capital work in progress	2.5	4.4	1.1	30.9	2.6
Right-of-use assets	9.7	31.1	27.8	29.2	27.2
Goodwill	40.7	30.6	30.6	30.6	30.6
Other intangible assets	0.5	0.4	0.4	0.4	0.5
Financial assets	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
a) Loans	0.7	4.1	5.5	4.6	5.8
b) Other financial assets	2.1	0.0	2.3	2.2	2.4
Income tax assets (net)	0.2	0.2	0.2	5.4	0.2
Other non-current assets	2.5	5.7	0.9	4.4	3.5
Total Non current assets	**120.3**	**162.9**	**210.7**	**198.0**	**212.9**
Current assets					
Inventories	55.2	69.3	76.8	71.5	67.3
Financial assets	0.0	0.0	0.0	0.0	0.0
a) Investments	18.4	19.7	20.8	20.2	30.6
b) Trade receivables	96.8	103.8	104.5	80.4	85.6
c) Cash and cash equivalents	4.6	11.8	5.7	4.3	12.1
d) Cash/bank balances	0.0	2.2	0.0	0.0	0.0
e) Loans	0.3	0.3	0.3	0.2	0.6
f) Other financial assets	0.3	0.1	0.1	0.1	0.1
Other current assets	1.5	2.9	3.1	2.0	2.1
Total current assets	**177.1**	**210.2**	**211.2**	**178.7**	**198.4**
TOTAL ASSETS	**297.4**	**373.2**	**422.0**	**376.7**	**411.3**
LIABILITIES					
Equity					
a) Equity share capital	28.6	28.9	29.0	29.0	29.0
b) Instruments in nature of equity	18.3	18.3	18.3	18.3	18.3
c) Other equity	80.6	100.3	149.7	107.9	177.0
Total equity	**127.5**	**147.5**	**197.1**	**155.3**	**224.4**
Non-current liabilities					
Borrowings	8.9	26.9	24.7	29.4	19.3
Lease liabilities	4.8	5.4	2.8	4.6	2.6
Other liabilities	1.8	3.2	3.8	3.5	3.5
Deferred tax liabilities (net)	0.0	2.1	7.0	6.3	5.7
Provisions	0.0	0.0	1.3	0.6	2.8
Total Non-current liabilities	**15.5**	**37.6**	**39.7**	**44.4**	**33.9**
Current Liabilities					
Borrowings	22.6	24.7	14.5	23.2	0.0
Lease liabilities	2.9	4.0	3.4	3.0	3.2
Trade payables					
From micro and small enterprises	8.8	12.8	25.9	28.4	35.7
From other creditors	99.7	123.4	112.7	94.5	83.4
Other financial liabilities	10.0	15.1	19.4	18.9	17.8
Other liabilities	10.2	7.8	5.6	7.8	8.5
Provisions	0.1	0.0	1.1	0.9	1.3
Income tax liabilities (net)	0.0	0.3	2.6	0.3	3.1
Total Current Liabilities	**154.4**	**188.1**	**185.3**	**177.0**	**153.0**
TOTAL EQUITY AND LIABILITIES	**297.4**	**373.2**	**422.0**	**376.7**	**411.3**

Source: Company RHP

Cash flow statement in Rs Crores

Particulars	FY18	FY19	FY20	H1FY20	H1FY21
Net cash generated from operating activities	23.8	51.6	72.3	27.0	53.2
Net cash generated from investing activities	(17.1)	(63.2)	(61.3)	(35.1)	(22.7)
Net cash generated from financing activities	(6.8)	18.9	(17.2)	0.5	(24.0)
Net increase/(decrease) in cash and cash equivalent	(0.1)	7.2	(6.2)	(7.6)	6.5
Cash at the beginning of the year	4.7	4.6	11.8	11.8	5.7
Cash and cash equivalent at end of the year	**4.6**	**11.8**	**5.7**	**4.3**	**12.1**

Source: Company RHP

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
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