

INDIGO PAINTS LIMITED

Issue highlights

- ❑ **Indigo Paints Limited ("Indigo Paints")** was incorporated on March 28, 2000. The company is the fastest growing amongst the top 5 paint companies in India. They are the 5th largest company in the Indian decorative paint industry in terms of their revenue from operations for Fiscal 2020. The company manufactures a complete range of decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties and cement paints.
- ❑ Indigo Paints is the 1st 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, Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel (together, "**Indigo Differentiated Products**").
- ❑ The company has introduced differentiated products to create a distinct market in the paint industry, building brand equity for their primary consumer brand of "**Indigo**", creating an extensive distribution network across 27 states and 7 union territories as of September 30, 2020, and installing tinting machines across their network of dealers.
- ❑ As of September 30, 2020, Indigo Paints owns and operates 3 manufacturing facilities located in Rajasthan, Kerala and Tamil Nadu.
- ❑ To create demand for their differentiated products, Indigo Paints 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. They subsequently leveraged this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well.
- ❑ They have engaged Mahendra Singh Dhoni, a sports person with a pan Indian appeal across demographics, as their brand ambassador.

Brief Financial Details*

(₹ In Cr)

	As at Sep'30,		As at Mar' 31,		
	2020(6)	2019(6)	2020(12)	2019(12)	2018(12)#
Equity Share Capital~	29.02	29.02	29.02	28.85	28.59
Instruments in the nature of equity (CCCPs)	18.30	18.30	18.30	18.30	18.30
Reserves as stated~	177.05	107.95	149.73	100.30	80.56
Net worth as stated	224.37	155.27	197.05	147.46	127.46
Revenue from Operations	259.42	272.64	624.79	535.63	401.48
Revenue Growth (%)	(4.81)%	-	16.60%	33.28%	-
EBITDA as stated	48.09	23.46	91.00	54.09	25.80
EBITDA (%) as stated@	18.54%	8.60%	14.56%	10.10%	6.43%
Profit Before Tax	35.23	11.81	67.43	33.71	12.55
Net Profit for the period	27.21	5.99	47.82	26.87	12.86
Net Profit (%) as stated	10.45%	2.19%	7.63%	5.00%	3.19%
EPS –Basic (₹)	6.03^	1.33^	10.61	5.98	2.88
EPS –Diluted (₹)	5.97^	1.32^	10.49	5.90	2.82
RoNW (%)	12.12%	3.86%	24.27%	18.22%	10.09%
NAV-Basic(₹)~	49.75	34.45	43.69	32.84	28.53
ROE (%)	12.12%	3.86%	24.27%	18.22%	10.09%
ROCE (%)	13.85%	6.16%	27.50%	17.26%	9.86%

Source: RHP *Restated Summary, ~for calculating EPS 16,078,075 CCCPS converted into Equity shares on 22.12.2020 is considered. ^Ratios calculated for 30th Sep' 2020 & 30th Sep' 2019 are not annualised. #proforma @EBITDA% on Total Revenue

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹ 300 Crore and Offer for sale of 5,840,000 Equity Shares

Issue size (net): ₹ 1,168 – 1,169 Cr

No. of shares('000): 7,856 – 7,853

Face value: ₹ 10

Employee Reservation: Upto 70,000 Equity Shares

Price band : ₹ 1,488 – 1,490

Bid Lot: 10 Shares and in multiple thereof

Employee Discount: ₹ 148/- per share

Post Issue Implied Market Cap:

₹ 7,079 – 7,088 Cr

BRLMs: Kotak Mahindra Capital, Edelweiss Financial, ICICI Securities

Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Wednesday, 20th Jan'2021

Issue closes on: Friday, 22nd Jan'2021

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	28-01-2021
Refunds/Unblocking ASBA Fund	29-01-2021
Credit of equity shares to DP A/c	01-02-2021
Trading commences	02-02-2021

Issue break-up

	No. of Shares	₹ In Cr	% of Issue
QIB	3,893,064 – 3,891,710	579 – 580	50%
NIB	1,167,919 – 1,167,514	174 – 174	15%
Retail	2,725,145 – 2,724,198	405 – 406	35%
Emp	70,000 – 70,000	9 – 9	-
Total	7,856,128 – 7,853,422	1,168-1,169	100%

Listing : BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue^	Post issue#
45,555,575	47,571,704	47,568,998

^@Lower price Band #@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters & Promoter Gr	60.05%	54.00%
Public	1.00%	8.70%
Non Promoter Non Public	38.95%	37.30%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was originally incorporated as 'Indigo Paints Private Limited' on March 28, 2000 at Pune, Maharashtra. The company was promoted by Hemant Jalan, Anita Jalan, Parag Jalan, Kamala Prasad Jalan and Halogen Chemical Pvt. Ltd. As on the date, the Promoters, in aggregate, hold 27,356,615 Equity Shares in the company, representing 60.05% of the issued, subscribed and paid-up Equity Share capital of the company.

Average cost of acquisition of Equity Shares of the Promoter and each of the Selling Shareholders

Name	No. of Equity Shares held	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 Chemical Pvt. Ltd.	4,958,070	0.15
Investor Selling Shareholders		
Sequoia IV [^]	8,534,960	74.49
SCII V [^]	9,208,675	113.77

[^] Selling Shareholders

Brief Biographies of Directors

Hemant Jalan is the Managing Director of the company. He has over 20 years of experience in the paint industry. Presently, he is associated with Halogen Chemicals Pvt. Ltd. as a director. He is a Director on the Board since March 28, 2000.

Anita Jalan is the Executive Director of the company. She has over 20 years of experience as a director in the company. She is a Director on the Board since March 28, 2000.

Praveen Kumar Tripathi is the Independent Director of the company. 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. Presently, he is associated with Magic9 Media & Consumer Knowledge Pvt. Ltd. and Indevia Accounting Pvt. Ltd. as a director. He is a Director on the Board since November 13, 2014.

Sunil Goyal is the Independent Director of the company. 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 Ltd. and is a director on the board of Kreston International Ltd. He is a Director on the Board since November 13, 2014.

Narayanan Kutty Kottiedath Venugopal is an Executive Director of the company. He has several years of experience in the paint industry. He is a Director on the Board since February 24, 2016.

Sakshi Chopra is the Nominee Director of the company. She has over 10 years of experience in private equity funds. Previously, she was associated with Sequoia Capital India Advisors Pvt. Ltd. as a principal. Presently, she is associated with Sequoia Capital India LLP as a principal. She is a Director on the Board since October 10, 2018.

Ravi Nigam is the Independent Director of the company. He has several years of experience in the manufacturing industry. Presently, he is associated with Visage Lines Personal Care Pvt. Ltd. as a nominee director, Extraedge Technology Solutions Pvt. Ltd. Sunshot Technologies Pvt. Ltd. as a non-executive director and Ronin Wines Pvt. Ltd. as an additional director. He is a Director on the Board since March 28, 2019.

Ravi Shankar Ganapathy Agraharam Venkataraman is the Alternate Director of the company. He has over 16 years of experience in private equity funds. Presently, he is associated with various companies as a director including Sequoia Capital India Advisors Pvt. Ltd. where he acts as the managing director. He was appointed on the Board of the company with effect from October 10, 2018 to March 2, 2020 as a nominee director. He was re-appointed on the Board of the company as an Alternate Director with effect from March 11, 2020.

Nupur Garg is an Independent Director of the company. 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 SIDBI and Kerala Infrastructure Fund Management Ltd. She is a Director on the Board since June 1, 2020.

Chetan Bhalchandra Humane is the Chief Financial Officer of the company. He joined the 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.

Sujoy Bose is the Company Secretary and Compliance Officer of the company. He joined the company with effect from March 7, 2018. He has over 4 years of experience in legal and compliance functions.

Thundiyl Surendra Suresh Babu is the Chief Operating Officer of the company. Pursuant to the Scheme of Amalgamation (Hi-Build Coatings Pvt. Ltd., a wholly owned subsidiary of the company), he joined the company on the effective date of the scheme, being April 19, 2017. He has over 16 years of experience in marketing and sales.

OBJECTS OF THE ISSUE

(₹ In Cr)	
Objects	Amount
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	150.00
Purchase of tinting machines and gyroshakers	50.00
Repayment/prepayment of all or certain of their borrowings	25.00
General Corporate Purposes	[•]
Total	[•]

Proposed schedule of implementation and deployment of Net Proceeds

(₹ In Cr)						
Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Estimated deployment of the of Net Proceeds			
			Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
• Funding capital expenditure for the Proposed Expansion	185.55	150.00	10.00	13.00	10.00	-
• Purchase of tinting machines and gyroshakers	50.01	50.00	-	14.16	17.19	18.65
• Repayment/prepayment of certain borrowings of the Co.	-	25.00	25.00	-	-	-
• General corporate purposes	[•]	[•]	[•]	[•]	[•]	[•]
Total	235.56	[•]	[•]	[•]	[•]	[•]

OFFER DETAILS

The Offer	
Fresh Issue (₹ 300 Cr)	Upto 2,016,129~ -2,013,423^ Equity Shares (~ at lower price band and ^ upper price band)
Offer for Sale	Upto 5,840,000 Equity Shares
Hemant Jalan – The Promoter Selling Shareholder	1,670,000 Equity Shares
Sequoia IV – The Investor Selling Shareholder	2,005,000 Equity Shares
SCII V – The Investor Selling Shareholder	2,165,000 Equity Shares

BUSINESS OVERVIEW

Indigo Paints Limited (“Indigo Paints”) is the fastest growing amongst the top 5 paint companies in India. They are the 5th largest company in the Indian decorative paint industry in terms of their revenue from operations for Fiscal 2020.

Indigo Paints 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 consumer brand of “Indigo”, creating an extensive distribution network across 27 states and 7 union territories as of September 30, 2020, and installing tinting machines across their network of dealers. To create demand for their differentiated products, Indigo Paints 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). They subsequently leveraged this network to engage with dealers in Tier 1 and Tier 2 Cities and Metros as well. The company engaged Mahendra Singh Dhoni, a sports person

with pan-India appeal, as their brand ambassador, to enhance their brand image amongst end-customers. Indigo Paints 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. The company subsequently introduced tinting machines in their target markets to increase sales of emulsion paints, which require in-shop tinting.

The company manufactures a complete range of decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties and cement paints. They also identify potential product needs from customers and introduce differentiated products to meet these requirements, and create a distinct market for their products.

Indigo Paints is the 1st 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, Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel (together, “**Indigo Differentiated Products**”). 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 their total revenue from operations in Fiscal 2018, 2019 and 2020, respectively. As the 1st company in India to develop these products, they have had an early mover advantage in the markets they are present in, which has allowed them to realize relatively higher margins for these products compared to the rest of their product portfolio. (Source: F&S Report)

As of September 30, 2020, Indigo Paints owns and operates 3 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. The manufacturing facilities are strategically located in close proximity to raw material sources that reduces inward freight costs, lowering its cost of raw materials.

They 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. The proposed installed production capacity of the expansion unit is 50,000 KLPA and it is expected to be operational during Fiscal 2023. As of March 31, 2018, 2019, and 2020, company’s 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 they placed across their network of dealers was 1,808, 3,143 and 4,296, respectively. The company is consistently profitable in the last 3 fiscals, despite increasing their marketing spends.

BUSINESS IMPACT – COVID 19

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; and
- 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.

COMPANY PRODUCT PORTFOLIO

The portfolio of decorative paint products comprises emulsion paints, enamels, wood coatings, distempers, primers, putties and cement paints. Indigo Paints manufacture and sell most of its products under the “Indigo” brand of paints. The products are categorised into 4 price points: *Platinum Series*, *Gold Series*, *Silver Series* and *Bronze Series*.

Product	Manufacturing Facility	Product Brief
Emulsion paints	Jodhpur (Unit I) and Kochi	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, wash-ability, stain resistance, and fungal resistance. All the emulsion paints are water-based, and the most common applications for their emulsion paints are on cement plaster, concrete and other masonry.
Enamels	Pudukkottai	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. The portfolio of enamel paints includes Self-Priming Epoxy Enamel, PU Super Gloss Enamel and Satin Enamel. All these enamel paints are part of their <i>Platinum Series</i> of products.
Wood coatings	Pudukkottai	Wood coatings are typically solvent-based products used to protect and beautify wooden surfaces and offer a glossy, matte or a silk matte finish. Indigo Paints manufactures solvent-based and water-based wood coatings. The company predominantly sell their wood coatings under the “Indigo” brand (under a category sub-brand “ <i>Sleek</i> ” that they acquired as part of the acquisition of Hi-Build Coatings Pvt. Ltd. in Fiscal 2016).
Distempers	Jodhpur (Unit I)	Distempers are traditional water-based paints that possess a thick paste like consistency and usually used for interior applications by value conscious customers, and are most commonly applied on plastered walls. The portfolio of distempers includes the Acrylic Distemper that is part of their <i>Gold Series</i> , and Acrylic Distemper and Acrylic Pouch Distemper that are part of their <i>Silver Series</i> .
Primers	Jodhpur (Unit I) Pudukkottai and Kochi	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. Indigo Paints manufactures water-based, solvent-based, and cement-based primers.
Putties	Jodhpur (Unit II)	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.
Cement paints	Jodhpur (Unit II)	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. The portfolio of cement paints includes the Royal Indigocem, Floracem and Alfacem.

The product-wise volume of sales for the years indicated:

(in MT/KL)

Product Category	Produce-wise Volume of Sales				
	6 months ended Sep'30		Fiscal		
	2020	2019	2020	2019	2018#
Cement Paints and Putty (MT)	27,192	25,425	57,225	45,243	35,709
Emulsions (KL)	7,058	8,589	19,565	16,866	12,490
Enamels and Wood Coatings (KL)	2,439	2,585	5,260	5,248	4,451
Primers, Distempers and Others (KL)*	11,501	11,231	21,940	20,206	15,730

The product-wise gross revenue (invoicing as per contracted price) for the years indicated:

(In ₹ Cr)

Product Category	Gross Revenue (Invoicing as per Contracted Price)				
	6 months ended Sep'30		Fiscal		
	2020	2019	2020	2019	2018#
Cement Paints and Putty	49.24	44.92	100.77	79.52	63.41
Emulsions	109.18	133.29	312.14	259.79	185.87
Enamels and Wood Coatings	57.94	60.29	123.47	120.58	97.49
Primers, Distempers and Others	80.71	74.21	152.54	134.68	96.37
Gross Revenue (Invoicing as per Contracted Price)	297.06	312.71	688.91	594.58	443.12

#Proforma

Indigo Differentiated Products

Product	Product Brief
Category-Creator Products:	<p>Indigo Paints is the first company to introduce certain types of emulsion paints such as the 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.</p> <p>These products are differentiated based on their end-use specifications. For instance the 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.</p>
Value-Added Products	<p>Indigo Paints is the first company to launch certain other types of emulsion paints such as the Dirtproof & Waterproof Exterior Laminate, Exterior and Interior Acrylic Laminate and enamels such as the PU Super Gloss Enamel, products that comprise company's value-added product portfolio.</p> <p>These products are also differentiated in terms of certain value added properties. For instance, The Dirtproof & Waterproof Exterior Laminate combines the benefits of dirt resistance and waterproofing properties. The Exterior and Interior Acrylic Laminates are rich sheen paint suitable for both interior and exterior walls. The PU Super Gloss Enamel is enamel paint suitable for various types of surfaces, and protects wood and metal while providing a glossy surface finish.</p>

As of September 30, 2020, Indigo Paints manufactured 7 types of Indigo Differentiated Products at their manufacturing facilities at Jodhpur, Kochi and Pudukkottai.

The revenues generated, i.e. invoicing as per contracted price, from the Indigo Differentiated Products:

(In ₹ Cr)

Particulars	6 months ended Sep'30		Fiscal		
	2020	2019	2020	2019	2018
Indigo Differentiated Products	76.52	84.97	197.20	163.96	118.21
% Increase	9.94%	-	20.27%	38.70%	-

As of September 30, 2020, Indigo Paints also manufactured aluminium paint, roof paint, stone and tile paint, and leak proof emulsion at their manufacturing facilities at Kochi and Pudukkottai.

Machine colorants and universal stainers that the company resell are purchased by them from third-parties. Such third-party manufacturers obtain the raw materials and manufacture these products as per the specifications provided by the company.

BRAND BUILDING AND MARKETING

The company has invested significantly in the promotion of the "Indigo" brand and logo, and their advertisement and sales promotion expenses.

(In ₹ Cr)

Particulars	6 months ended Sep'30	Fiscal		
	2020	2020	2019	2018
Advertisement and Sales promotion	15.77	79.05	67.66	45.05
% Spending to Revenue from operations	6.08%	12.65%	12.63%	11.22%
% spending by top 4 paint companies	-	3.3% - 5.0%	3.1% - 5.0%	3.8% - 5.8%

This investment in advertising and promotion of their brand is one of the key factors that has enabled them to build awareness, grow their network of dealers and expand successfully across multiple regions, and that they will continue to benefit from these historical investments in brand building as they execute their future growth plans.

Their initial advertising campaigns revolved around the Indigo Differentiated Products for better recognition of these products and to reinforce their association with them. They have strategically branded their 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 their experience, product-specific sub-branding promotes product visibility over brand recognition and hampers brand recall. They have also standardized their packaging design to provide uniformity and enable easier brand recognition at dealer outlets. The company utilises a number of avenues to promote their brand and products, including traditional media outlets, their relationship with a celebrity brand ambassador, and their network of dealers.

They have engaged Mahendra Singh Dhoni, a sportsperson with a pan-India appeal, as their brand ambassador for a period of 3 years, with services being provided with effect from May 1, 2018, extendable on mutual consent of the parties. They have also created a mascot for their brand, a zebra with colourful stripes that resembles their logo, and regularly features in their marketing materials, to increase brand recall. The company advertises through several key media outlets to promote their brand and product portfolio, including through advertisements on television, newspapers, magazines, dealer signage boards, in-shop branding materials and the internet. They work with a brand consultant to help produce creative content that is market-specific. The company also look to localise their advertising campaigns by adapting their advertisements to local languages and customs in order to appeal to more targeted and relevant demographics within specific markets. Further, they work with media companies to acquire optimal advertising slots in order to maximise the impact of their advertising campaigns.

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.

Particulars	6 months ended Sep'30		Fiscal		
	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

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 I	✓	-	-	✓-	✓	-	-	-
- Unit II	-	-	-	-	-	✓	✓	-
• Kochi, Kerala	✓	-	-	-	✓	-	-	✓
• Pudukkottai, Tamil Nadu	-	✓	✓	-	✓	-	-	✓

Capacity and Capacity Utilization

(in Kilo Liter)

Location	Installed Production Capacity and Capacity Utilization as at and for the 6 months ended					
	September 30, 2020			September 30, 2019		
	Installed Capacity	Actual Production	% Utilization	Installed Capacity	Actual Production	% Utilization
Liquid Paints (Solvent/ Water-Based Paints)						
Jodhpur Facility (Rajasthan)	45,544	10,352	45.46%	39,244	11,801	60.14%
Kochi Facility (Kerala)	42,701	7,613	35.66%	27,958	7,768	55.57%

Location	Installed Production Capacity and Capacity Utilization as at and for the 6 months ended					
	September 30, 2020			September 30, 2019		
	Installed Capacity	Actual Production	% Utilization	Installed Capacity	Actual Production	% Utilization
Pudukkottai Facility (TamilNadu)	13,658	3,196	46.80%	9,034	3,350	74.16%
Total	101,903	21,161	20.77%	76,236	22,919	30.06%
Powder Paints (Putties and Cement Paints)						
Jodhpur Facility (Rajasthan)	93,118	26,997	57.98%	48,944	27,086	110.68%
	93,118	26,997	57.98%	48,944	27,086	110.68

(in Kilo Liter)

Location	Installed Production Capacity and Capacity Utilization as at and for the year ended								
	March 31, 2020			March 31, 2019			March 31, 2018		
	Installed Capacity	Actual Production	% Utilization	Installed Capacity	Actual Production	% Utilization	Installed Capacity	Actual Production	% Utilization
Liquid Paints (Solvent/ Water-Based Paints)									
Jodhpur Facility (Rajasthan)	45,544	23,167	50.87%	39,244	24,121	61.46%	22,312	19,576	87.74%
Kochi Facility (Kerala)	42,701	18,406	43.10%	27,958	13,760	49.22%	15,640	8,739	55.89%
Pudukkottai Facility (TamilNadu)	13,658	6,817	49.91%	9,034	6,058	67.06%	8,656	5,151	59.51%
Total	101,903	48,390	47.49%	76,236	43,939	57.64%	46,608	33,466	71.80%
Powder Paints (Putties and Cement Paints)									
Jodhpur Facility (Rajasthan)	93,118	58,161	50.87%	48,944	44,349	90.61%	48,944	32,783	66.98%
Total	93,118	58,161	50.87%	48,944	44,439	90.61%	48,944	32,783	66.98%

Proposed Expansion Plans

In order to meet the growing demand for water-based paints, the company proposes to expand its **Pudukkottai Facility** to include capacities for manufacturing water-based paints. Post completion of the 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. The company is also in the process of carrying out capacity expansion plans at its 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.

Tinting Machines

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.

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.

Installing tinting machines has been crucial in improving reach and enabling dealers to meet customer requirements, thereby reducing the expense of inventories. The 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.

COMPETITIVE STRENGTHS

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

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. Company's differentiated strategic approach in addressing these issues has resulted in their continued success.

Company's 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 4 paint companies in India. Despite Fiscal 2020 being impacted by COVID-19, their 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 4 paint companies in India. They have achieved this position in a highly competitive Indian decorative paint industry on the back of their multi-pronged approach. This includes

introducing Indigo Differentiated Products to create a distinct market in the paint industry, building brand equity for the primary consumer brand of “*Indigo*”, creating an extensive distribution network, and installing tinting machines across the network of dealers.

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

Indigo Paints consistently seek to launch first-to-market products by identifying niche product opportunities and introducing products that address these requirements. They first introduced their Metallic Emulsions in 2005 and have since entered new markets by introducing other differentiated products with regularity, and most recently introduced their PU Super Gloss Enamel in 2016 and Dirtproof & Waterproof Exterior Laminate in 2017, resulting in a portfolio of 7 Indigo Differentiated Products as of September 30, 2020.

As the first company in India to develop certain category-creator products, Indigo Paints has early mover advantage in the markets they are present in, which has allowed them to set the pricing terms for these products, resulting in higher margins for these products compared to the rest of their product portfolio. Owing to the distinct market they cater to, and as only few other companies continue to manufacture these products, they 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.

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 their total revenue from operations in Fiscal 2018, 2019 and 2020, respectively.

- ***Focused brand-building initiatives to gradually build brand equity***

Indigo Paints 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 their business. **The advertisement and sales promotion expenses represented 11.22%, 12.63%, and 12.65% of the 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. Their Media Advertising Spends (that is a part of advertising and sales promotion expenses) have gradually increased over the years, and amounted to ₹ 61.52 crore in Fiscal 2020. The media advertising spend in Fiscal 2020 is comparable to spend incurred by the major companies (excluding the market leader).

The 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.

They have leveraged their brand recognition and goodwill in the market for their Indigo Differentiated Products, by gradually introducing and gaining visibility for their other product segments. This approach has allowed them 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.

Indigo Paints has established their distribution network gradually and strategically through the bottom-up approach with prudent use of time, cost and resources. This helped them engage with a larger base of dealers across Tier 3, Tier 4 Cities, and Rural Areas, which they subsequently leveraged to expand into larger cities and metros such as Kanpur, Kochi, Thiruvananthapuram, Patna and Ranchi. They first approached dealers in these markets with their Indigo Differentiated Products, being products with greater marketability, to improve penetration of their brand and strengthen the relationship with these dealers. As of March 31, 2018, 2019, and 2020, their distribution network comprised 9,210, 10,246 and 11,230 Active Dealers in India, respectively.

Their dealer network is also well integrated with their marketing and promotional activities, and helps in strengthening the brand image. For efficient service, they engage with dealers through depots that they have set-up at major locations across their distribution network. As of March 31, 2018, 2019, 2020 and as of September 30, 2020, they 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. 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.

Indigo Paints started installing tinting machines in Fiscal 2014, which gained momentum from Fiscal 2018. During the last 3 fiscals, they installed an average of 1,223 tinting machines every fiscal, and as of September 30, 2020, they had a total of 4,603 tinting machines across their network of dealers in India.

- **Strategically located manufacturing facilities with proximity to raw materials**

As of September 30, 2020, Indigo Paints operated 3 manufacturing facilities in India, located in the states of Rajasthan, Kerala and Tamil Nadu. They plan their capital expenditure in advance and have periodically carried out capacity expansions at their facilities to cater to the increased demand for their products. The 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. The manufacturing facilities are strategically located in proximity to their raw material sources, which reduces inward freight costs and results in lower cost of raw materials.

The 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 neighbouring state of Gujarat.

The company strengthened their presence in southern India and gained access to solvent-based paints through the acquisition of Hi-Build Coatings Pvt. Ltd. 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 they predominantly source from the neighbouring states of Tamil Nadu and Karnataka, minerals that they 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 they mainly source from manufacturers based in Tamil Nadu and the neighbouring state of Telangana, and turpentine oil that is available from refineries within Tamil Nadu.

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

Indigo Paints has a strong management team with considerable industry experience. Their promoter Hemant Jalan and the Executive Director Narayanan Kutty Kottiedath Venugopal have been instrumental in the growth of the business. Hemant Jalan has over 2 decades of experience in the paint industry. Narayanan Kutty Kottiedath Venugopal has several years of experience in the paint industry and was previously the managing director of Hi-Build Coatings Pvt. Ltd.

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. The company has also benefitted from the investments by Sequoia in Fiscal 2015 and the support of their nominee director on their board. They also have a well-qualified senior management team with extensive experience in the paint industry, which positions them well to capitalize on future growth opportunities.

KEY BUSINESS STRATEGIES

- **Continue to focus on developing differentiated products to grow market share**

The company intends to continue to grow their portfolio of differentiated products going forward as these products have widened the end-user base that they cater to and typically has a higher margin profile than other decorative paint products. To identify the opportunities, they extensively engage with dealers and the painter community through their ground level sales team to understand the demand dynamics for various products in the market. The company also seeks to innovate and develop products with distinguished properties by undertaking research, attending industry trade fairs, and keeping abreast with industry trends and practices.

- **Further strengthen the brand to consolidate the 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. They have consciously developed their 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 their packaging design to provide uniformity and enable easier brand recognition at dealer outlets.

Company’s advertising efforts has focused on select products that differentiate them from their competitors. They have over the past 3 fiscals gradually increased their media advertising spends consistent with their financial growth. Having attained near parity with the large players in terms of absolute media advertising spends in Fiscal 2020. The company now intends to make only marginal increases in their future media advertising expenses, and leverage their current cost structure to achieve growth and drive profitability while strengthening their brand.

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

Company’s key focus is to increase their 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 that can be capitalized by expanding their distribution network.

As of March 31, 2020, they had a network of 3,292 Active Dealers in these 5 states, and intend to engage with more dealers to strengthen their existing sales infrastructure and network in these regions. They also are in process of increasing their presence in North India, particularly in the states of Punjab and Uttarakhand, and the union territory of Jammu & Kashmir, where they have recently commenced distributing their products.

The industry leader had the largest dealer network as of March 31, 2020, with over 70,000 dealers, compared to company’s network of 11,230 Active Dealers in India as of March 31, 2020. They will therefore continue to grow their network of dealers commensurate to the size of their operations and the markets they target.

Successful expansion of their distribution network depends on recognition of their brand among potential dealer-partners and acceptance of their tinting machines at such new locations. To achieve this, Indigo Paints is in the process of carrying out branding activities in their targeted markets and establishing depots at strategic locations for more effective distribution.

In markets where they are not present, they intends to initially market and distribute their portfolio of Indigo Differentiated Products followed by their entire portfolio of products.

The tinting machine to dealer ratio was in the range of 37% to 67% for the top 4 paint companies as of March 31, 2020, while their tinting machine to Active Dealer ratio was 38.25% as of March 31, 2020 and 41.89% as of September 30, 2020. They had a total of 4,296 and 4,603 tinting machines across their network of dealers as of March 31, 2020 and September 30, 2020, respectively, and continue to seek opportunities in their targeted markets to improve this ratio.

- **Expand the manufacturing capacities**

The company intends to expand their manufacturing capacities to aid their growth efforts and consolidate the pan-India presence. To cater to the increased demand for water-based paints, they intends to use a part of the Net Proceeds towards expansion of their manufacturing facilities. Consumption of water-based paints is rising globally, and demand is expected to remain high. In India, regulatory changes are expected to increase adoption of water-solvent and high solids coatings which has lower contents of volatile organic compounds. Moreover, adoption of green technologies and bio-based materials may positively impact the demand for water-based coatings in the country.

They currently manufacture only solvent-based paints at their manufacturing facility in Tamil Nadu. They intend to expand their 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, they have acquired additional land adjacent to their 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 their 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.

They are also in the process of carrying out capacity expansion plans at their 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.

COMPETITION

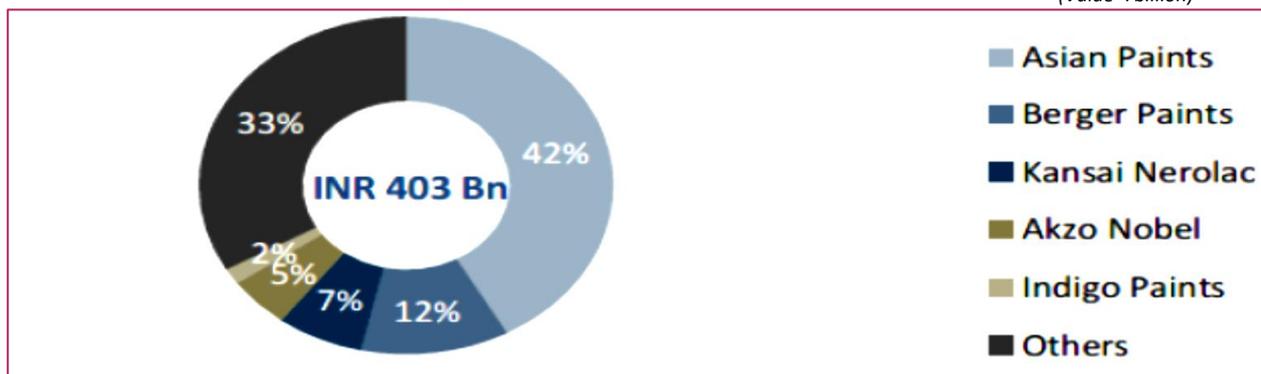
The Indian decorative paint industry has historically been dominated by 4 major entities viz. Asian Paints, Berger Paints, Kansai Nerolac and Akzo Nobel, which had an aggregate market share of 65% in 2019, as the industry presents significant entry barriers. These market entry barriers include the development 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. A significant amount of investment is required for the establishment of brand reputation and to penetrate into the sales network in India.

Indigo Paints compete with these 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. They are well-positioned to compete with these companies given their differentiated strategy, offering a complete range of decorative paint products across India.

INDUSTRY OVERVIEW

Competitive Landscape: Decorative Paints

(Value ₹ billion)



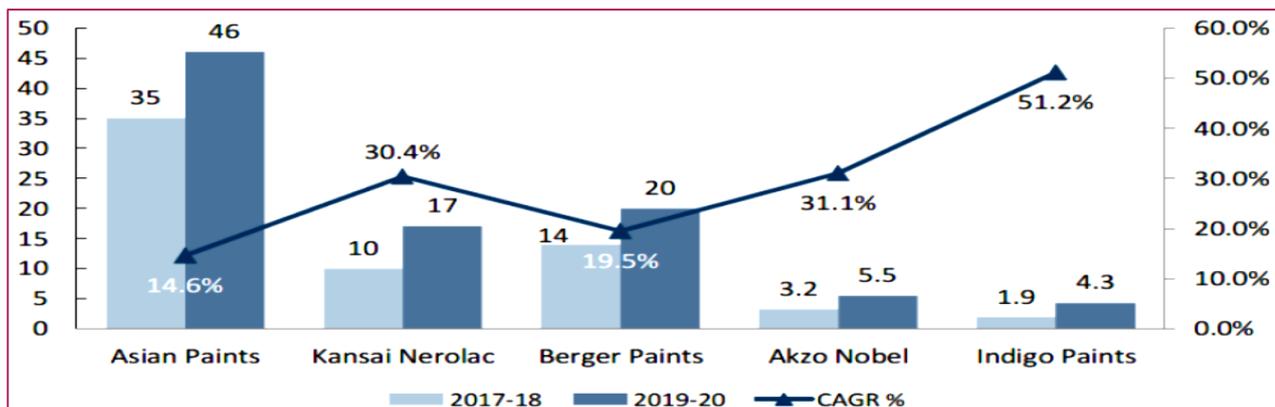
The company-wise growth in tinting machines:

(in thousand)

	Asian Paints	Kansai Nerolac	Berger Paints	AkzoNobel	Indigo Paints
FY20	46	17	20	5.5	4.3
FY18	35	10	14	3.2	1.9
CAGR %	14.6	30.4	19.5	31.1	51.2
Tinting Machine to Dealer Ratio (FY20)	0.66 (66%)	0.62 (62%)	0.67 (67%)	0.37 (37%)	0.38 (38%)

Note: Tinting Machine to Dealer Ratio gives an approximate penetration of the tinting machine for each company.

The company-wise growth in tinting machines (in thousands):

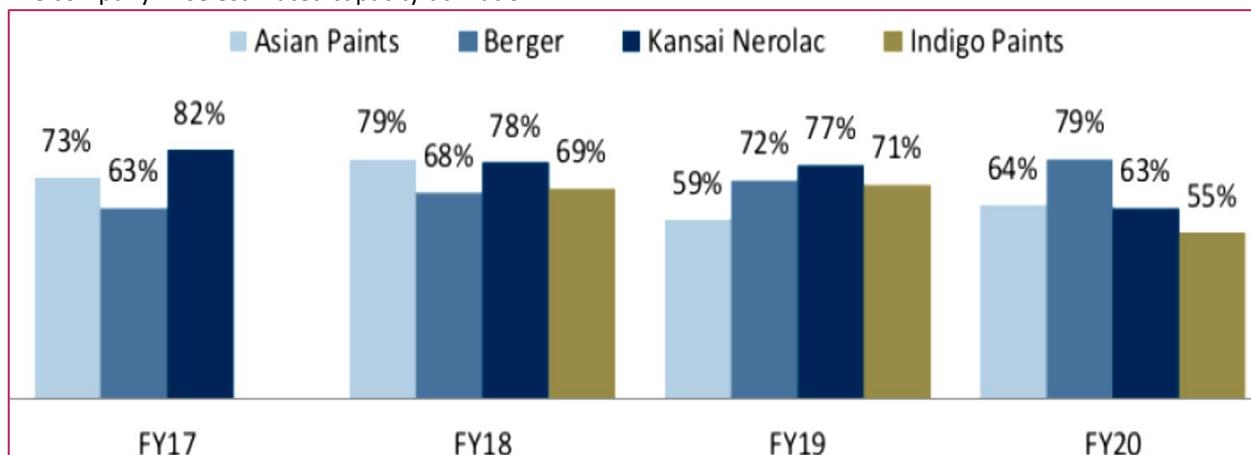


Indigo Paints has installed tinting machines across India through their focus on branding efforts, specifically in Tier 2 – 4 Cities and Rural Areas where the penetration of tinting machines is relatively low.

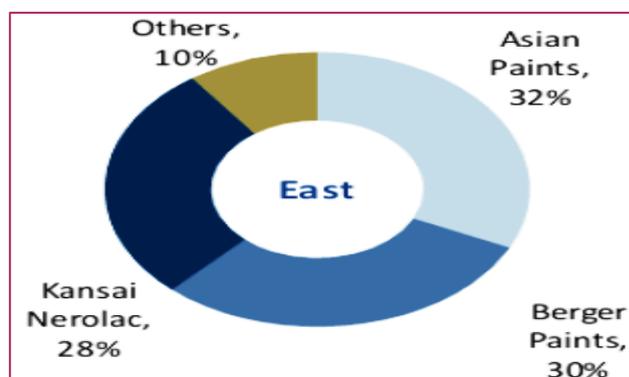
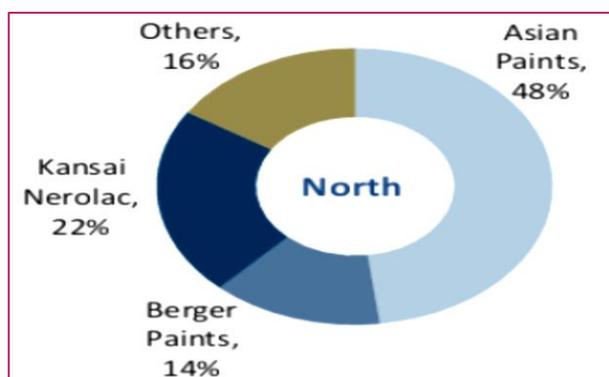
The company-wise capacity and year-on-year growth in capacities (in MMT):

	Asian Paints	Berger Paints	Kansai Nerolac	AkzoNobel
FY20	1.73	0.64	0.52	0.195
FY19	1.71	0.64	0.44	0.125
FY18	1.13	0.57	0.40	0.095
FY17	1.13	0.56	0.35	-

The company-wise estimated capacity utilization:

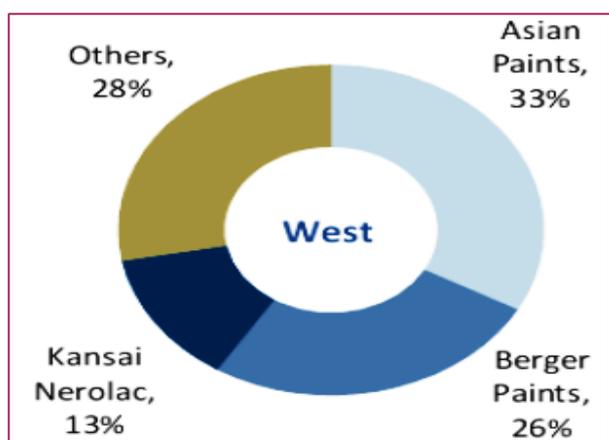


The company-wise market share, and estimated split by geography

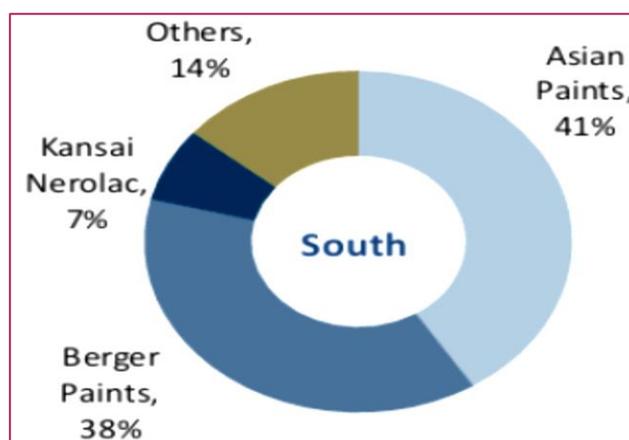


North: Rajasthan, Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Chandigarh, Himachal Pradesh, Jammu & Kashmir

East: Bihar, West Bengal, Chattisgarh, Orissa, Jharkhand, North Eastern Region



West: Gujarat, Maharashtra, Madhya Pradesh, Goa



South: Karnataka, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Pondicherry

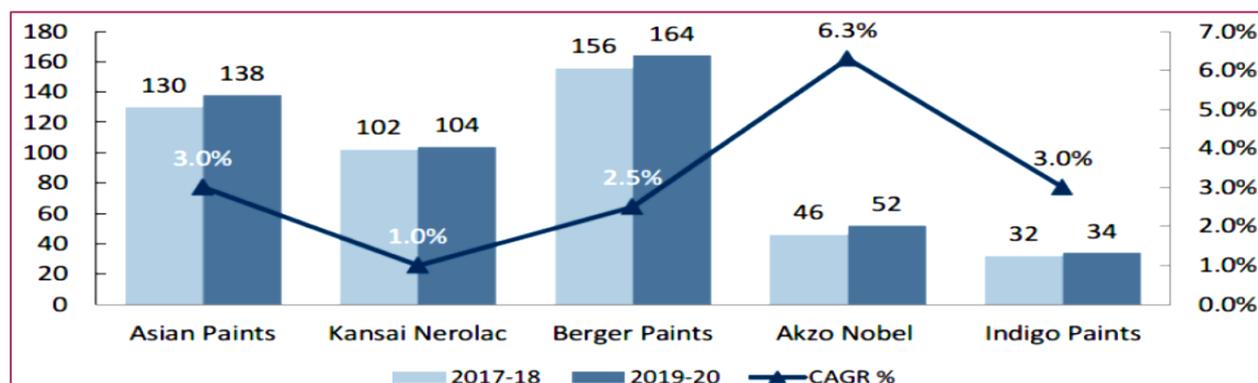
Market Penetration:

The company-wise growth in active distribution/ dealer network:

	CAGR (%)	2019-20	2017-18
Asian Paints	14.9%	70,000	53,000
Kansai Nerolac	17.3%	27,500	21,000
Berger Paints	10.0%	30,000	25,000
Akzo Nobel	(4.7)%	15,000	16,500
Indigo Paints	10.4%	11,230	9,210

Note: Dealer considered here transact at least 2 times in 12 months

The company-wise growth in depots, as of March 31, 2020:



Terms of Trade:

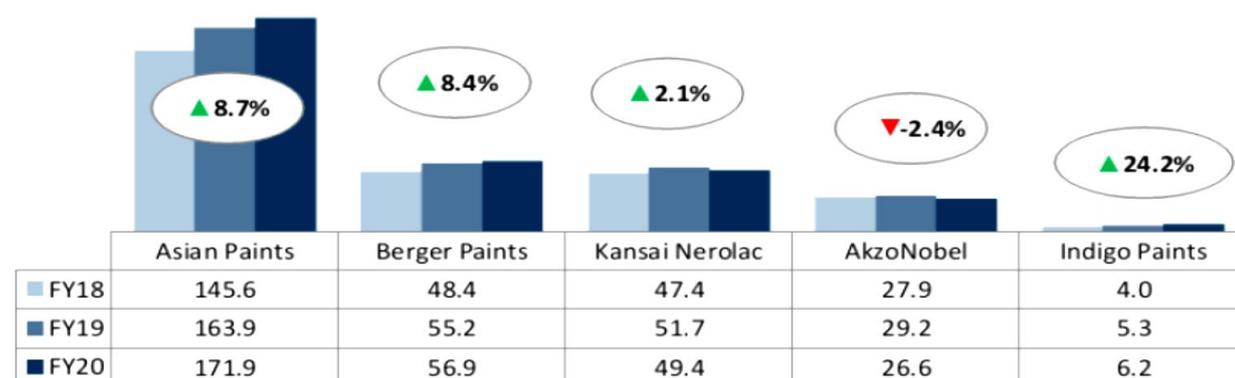
The industry has adopted 2 types of discounts, i.e. **built-in discounts** and **scheme-based discounts**. Built-in discounts are offered up front to dealers on a real-time basis. They are not related to the company's off take. Scheme discounts refer to a percentage discount based on the quantity/ quality of the products purchased from the business and not offered directly to the dealers.

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
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	

General Financial Overview: Top Players

Revenue from operations (Fiscal 2018 – Fiscal 2020):



	EBITDA	Revenue	Revenue YOY growth			Gross Margin			PAT Margin (%)			Material Cost*		
	Margin	growth												
	For 6 months ended Sep'2020		FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018
Asian Paints	23.2%	(19.5)%	4.9%	12.6%	1.4%	22.4%	21.4%	20.1%	15.4%	13.0%	13.0%	55.3%	57.4%	57.6%
Berger Paints	17.6%	(21.6)%	3.2%	14.0%	12.6%	16.8%	15.6%	15.4%	12.3%	7.9%	8.9%	59.2%	61.9%	60.0%
Kansai Nerolac	18.0%	(30.3)%	(4.5)%	9.2%	4.5%	15.8%	14.3%	16.7%	10.8%	9.0%	10.9%	61.9%	63.8%	61.7%
Akzo Nobel	10.6%	(36.1)%	(8.8)%	4.5%	(2.7)%	14.2%	11.7%	10.7%	8.9%	7.2%	7.4%	54.2%	57.9%	57.3%
Indigo Paints	18.5%	(4.9)%	16.6%	33.4%	20.7%	14.6%	10.1%	6.4%	7.7%	5.0%	3.2%	51.5%	55.7%	59.2%

* Material Costs as a % of Revenue from Operations (Fiscal 2018 – Fiscal 2020)

	Advt. & Sales Promotion			Employee Cost*			Discount*			ROE (%)			ROCE (%)^		
	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018	FY 2020	FY 2019	FY 2018
Asian Paints	4.6%	4.2%	3.8%	5.7%	5.5%	5.4%	15.8%	14.6%	14.4%	28.1%	24.1%	24.3%	33.1%	32.6%	35.2%
Berger Paints	4.2%	3.3%	4.6%	6.0%	5.7%	5.6%	-	-	-	26.6%	18.5%	20.1%	30.0%	25.2%	28.8%
Kansai Nerolac	5.0%	5.0%	5.8%	5.4%	4.9%	4.8%	11.0%	9.8%	9.7%	14.1%	13.6%	16.5%	17.5%	20.2%	24.4%
Akzo Nobel	3.3%	3.1%	3.9%	9.6%	9.1%	9.9%	19.2%	15.4%	14.3%	19.2%	18.6%	15.9%	23.9%	26.4%	21.0%
Indigo Paints	12.7%	12.6%	11.2%	6.7%	6.8%	7.5%	11.4%	11.4%	11.4%	24.3%	18.2%	10.1%	27.5%	17.3%	9.9%

^FY18 numbers may not be strictly comparable, since ROE and ROCE are Pre-Ind AS 116 for some companies

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2020)

Name of the Bank	Consolidated / Standalone	Face Value	Total Income for Fiscal 2020 (₹ Cr)	EPS (Basic)	NAV^	P/E~	RoNW (%)
Indigo Paints Ltd	Consolidated	10	626.44	10.61	43.69	[•]	24.27%
Peer Group							
Asian Paints Ltd	Consolidated	1	20,515.56	28.25	105.61	97.48	27.39%
Berger Paints India Ltd	Consolidated	1	6,434.34	6.75	27.39	115.33	24.66%
Kansai Nerolac Paints Ltd	Consolidated	1	5,305.50	9.67	69.77	64.19	13.72%
Akzo Nobel India Ltd	Consolidated	10	2,699.40	52.13	271.85	47.41	19.18%

Source: RHP ~P/E Ratio has been computed based on the closing market price on NSE as on January 4, 2021.

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