



Indigo Paints

Others' 20 is their 80

Huge market for smart and practical business models

Indigo Paints, founded in 2000, by technically savvy Hemant Jalan, ex-Senior VP, Sterlite Industries), has posted a sales CAGR of 37% over FY05-20 vs an industry CAGR of 11% despite being a late entrant in the oligopolistic market (Top 4: 66% share). It has created niche products (floor, ceiling, tile coatings, PU gloss enamel and acrylic laminate & metallic emulsions) by picking up insights from dealers after twice a month visits to understand end-use gap and have first-mover advantage. Indigo conducts product awareness meets for painters by on-payroll engineers to highlight its products (higher sheen & surface coverage, better durability and new end-use), an activity which is limited to informal get-togethers by larger brands. Indigo derives 85% of revenue from Tier 2-4 cities and rural markets as it added dealers (cement, Thermo Mechanically Treated [TMT] bars, hardware and sanitaryware shops) with good credit quality (advance payments) and thin margin for building materials and earns profit from selling paints (margin: >25-30%) as these markets are untapped and consumers brand agnostic.

Portfolio of specialized, must-have products for all dealers

The specialized products portfolio that contributed 28.6% to total in FY20 is profitable and attractive for dealers, which usually gives Indigo a "foot in the door". It gives higher trade margin of ~17-20% vs 15% Asian Paints (APNT IN, **Reduce**, CMP: INR 2,664, TP: INR 2,053) compared to the Top 4 brands, but has built strong reputation, which gives them 1) pricing power (the lowest rebate in the industry at 10.3% vs 13-19% for peers in FY20), 2) an ability to gain share in the shop, and 3) move to seeding tinting machines (sales jump by 2.5x after seeding). The business model gives the company industry-leading gross margin (adjusted for outward freight cost) of 37.9% in FY20, which is higher than Berger Paints (BRGR IN, **Sell**, CMP: INR 794, TP: INR 527) by 280bp in FY20 and Kansai Nerolac (KNPL IN, **Buy**, CMP: INR: 656, TP: INR 778) by 520bp and at par with APNT's 37.7% for FY20.

Subscribe: Proven formula with huge runway for growth

We believe Indigo will sustain sales CAGR of 26% over FY18-20 by accelerating dealer additions (FY18-20 CAGR: 10.4%) and seeding tinting machines (FY18-20 CAGR: 51%) into existing dealers (38% of active dealers vs peers' 67%) by expanding into new states and launching 4-5 specialized products every year. Headroom for dealer additions of 3x and tinting machines of 5x is huge and viable. At the upper band, post money market cap stands at INR 70.1bn valuing it at 146x P/E (industry median: 62x) & 11.3x EV/sales (industry median: 9.4x) on FY20. With scale and rapid growth, we expect ad spend to grow slower than business growth, as it is already on the higher side at 12.7% than peers' 5.3% and likely lead to better margin. We believe the issue is priced attractively, and, hence, we recommend **Subscribe**.

Key Financials

YE	Revenue (INR mn)	YoY (%)	EBITDA (INR mn)	EBITDA margin (%)	Adj PAT (INR mn)	YoY (%)	Fully DEPS (INR)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
March											
FY18	3,951	-	258	6.5	142	-	3.0	11.1	7.3	495.0	272.9
FY19	5,356	35.6	541	10.1	272	91.7	5.8	19.8	13.3	258.3	130.2
FY20	6,248	16.6	910	14.6	478	76.0	10.1	27.8	22.8	146.8	77.4
1HFY21#	2,594	(4.8)	481	18.5	272	353.9	5.8	24.2	21.0	N/A	N/A

Note: #return ratios annualized for 1HFY21; pricing based on upper band at INR 1490/share.; Source: Elara Securities Research

Recommendation: Subscribe

Issue details

Fresh issue of equity (INR bn)	3,000
Offer for sale of up to (mn)	8,700
Employee portion of up to (mn)	104

Issue price

(INR)	At lower price band	At upper price band
Price band	1,488	1,490
Bid lot (no)	10 and multiple thereof	
Employee discount	INR 148 per equity share	

Equity shares

	No of shares
Pre issue	4,51,00,250
Post issue*	4,71,14,043

Note: number of shares on diluted basis
*at upper price band

Market capitalization

(INR bn)	At lower price band	At upper price band
Post issue implied	70.0	70.1

IPO dates

Issue opens on:	Wednesday, 20 January 2021
Issue closes on:	Friday, 22 January 2021

Shareholding pattern*

(%)	Pre issue	Post issue
Promoters	60.7	54.5
Public	39.3	45.5

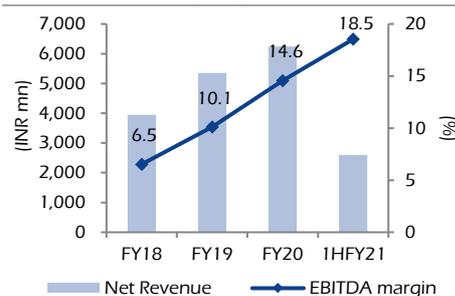
Note: *at upper price band
Source: Indigo Paints RHP, Elara Securities Research

Financials (YE March)

Income statement (INR mn)	FY18	FY19	FY20	H1FY21
Net Revenue	3,951	5,356	6,248	2,594
EBITDA	258	541	910	481
Add Non operating income	16	16	16	8
OPBITDA	274	557	926	489
Less: Depreciation & Amortization	90	171	196	112
EBIT	184	387	730	377
Less Interest Expense	45	47	56	25
PBIT	139	340	674	352
Less Taxes	(3)	68	196	80
Adjusted PAT	142	272	478	272
Add or less extraordinary items	(13)	(3)	-	-
Reported PAT	129	269	478	272
Balance Sheet (INR mn)	FY18	FY19	FY20	H1FY21
Share capital	286	289	290	290
Reserves	989	1,186	1,680	1,954
Minority Interests	-	-	-	-
Borrowings	358	601	501	301
Deferred Tax (Net)	-	21	70	57
Other long term liabilities	66	86	80	89
Total Liabilities	1,699	2,183	2,621	2,691
Gross Block	805	1,349	2,018	2,109
Less: Accumulated depreciation	89	169	316	429
Net Block	716	1,180	1,702	1,680
Add: Capital work in progress	25	44	11	26
Goodwill	407	306	306	306
Investments	184	197	208	306
Cash	46	140	57	121
Net working capital	272	257	303	192
Other assets	48	59	34	60
Total Assets	1,699	2,183	2,621	2,691
Cash flow statement (INR mn)	FY18	FY19	FY20	H1FY21
Cash profit adjusted for non-cash items	263	514	792	401
(Inc)/Dec in working capital	(25)	2	(69)	131
Operating cash flow	238	516	723	532
Less: Capex	197	638	614	135
Free cash flow	41	(122)	109	397
Financing cash flow	(68)	210	(194)	(240)
Investing cash flow	(171)	(632)	(613)	(227)
Net change in cash	(1)	94	(83)	65
Ratio Analysis	FY18	FY19	FY20	H1FY21
Income statement Ratios (%)				
Revenue growth		35.6	16.6	(4.8)
EBITDA growth		109.6	68.2	105.0
PAT growth		91.7	76.0	353.9
EBITDA margin	6.5	10.1	14.6	18.5
Net margin	3.6	5.1	7.7	10.5
Return and liquidity ratios				
Net debt/Equity (x)	0.2	0.3	0.2	0.1
ROE (%)	11.1	19.8	27.8	24.2
ROCE (%)	7.3	13.3	22.8	21.0
Per share data and Valuation ratios				
Diluted EPS (INR)	3.0	5.8	10.1	5.8
EPS growth (%)		91.7	76.0	353.9
DPS (INR)	-	-	-	-
P/E ratio (x)	495.0	258.3	146.8	N/A
EV/EBITDA (x)	272.9	130.2	77.4	N/A
EV/Sales (X)	17.8	13.1	11.3	N/A
Price/Book(x)	55.1	47.6	35.6	N/A
FCFF yield (%)	0.1	(0.2)	0.2	N/A
Dividend yield (%)	-	-	-	-

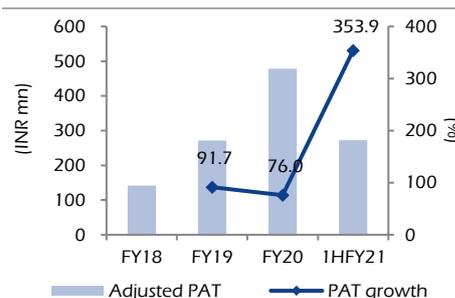
Note:#return ratios annualized for H1FY21; pricing used is upper limit of INR 1490; Source: Elara Securities Research

Revenue & margin growth trend



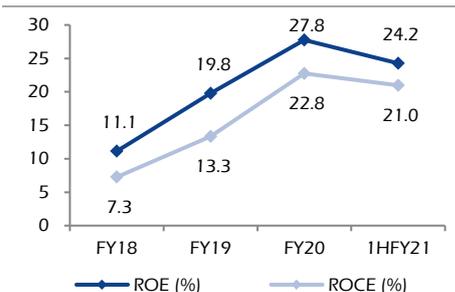
Source Indigo Paints RHP, Elara Securities Research

Profit trend



Source: Indigo Paints RHP, Elara Securities Research

Return ratios#



Note: #annualized for H1FY20; Source: Indigo Paints RHP, Elara Securities Research

Exhibit 1: Peer comparison

	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	P/E (x)				EV/EBITDA (x)				EV/Sales (x)				Last 5 years average (%)	
						FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	ROE	ROCE
Indigo Paints						146.8	-	-	-	77.4	-	-	-	11.3	-	-	-	19.6	14.5
Asian Paints	APNT IN	Reduce	2,555	2,664	2,053	97.1	92.2	72.3	60.9	64.6	60.3	48.6	41.5	13.3	13.7	11.7	10.1	27.5	22.8
Berger Paints	BRGR IN	Sell	771	794	527	118.4	93.8	77.2	66.0	73.4	60.6	51.5	44.5	12.4	12.3	10.4	9.0	23.8	20.0
Kansai Nerolac	KNPL IN	Buy	354	656	778	62.2	55.3	44.7	38.3	41.9	35.9	29.8	25.8	6.6	7.1	6.0	5.3	17.2	19.4
Akzo Nobel	AKZO IN	Not Rated	107	2,352	NA	42.45	46.4	37.3	36.6	25.1	30.5	24.8	22.2	3.6	4.5	3.7	3.3	17.8	23.0
Pidilite	PIDI IN	Not Rated	910	1,790	NA	61.71	83.7	59.2	54.5	43.1	58.1	43.7	38.6	9.4	13.2	10.3	9.1	26.3	31.7
Astral Poly Technik	ASTRA IN	Accumulate	256	1,700	1,232	56.95	92.5	69.4	56.8	32.0	530.9	42.8	36.1	5.5	9.3	7.7	6.7	17.4	21.0
Median						62.2	88.0	64.3	55.7	43.1	59.2	43.2	37.4	9.4	10.8	9.0	7.8	19.6	21.0

Note: pricing as on 14 January 2020; Source: Bloomberg Consensus estimates for Not Rated companies, Company, Elara Securities Estimate

Exhibit 2: India's decorative paint industry of INR 403bn as on FY19 dominated by few firms

Company	Market share - % (FY19)
Asian Paints	42
Berger Paints	12
Kansai Nerolac	7
Akzo Nobel	5
Indigo Paints	2
Others	33

Source: RHP, Company website, Frost & Sullivan, Elara Securities Research

New entrant to 5th largest in 20 years

Where is the space to grow?

Around 10-15% of the market, which currently is fragmented among several firms, can be easily monetized by any aggressive brand through an awareness campaign (big celebrity endorsements to establish brand presence), below the line (BTL) activities for dealers and painters to consistently highlight product qualities and giving them volume incentives in return for increased brand awareness is a strong strategy, which has yielded results for Indigo. The company also regularly does BTL activities on product awareness among painters so that they can easily explain product benefits to consumers and answer queries, thereby creating a strong hold on the consumer.

Exhibit 3: More than 10% market in each region fragmented among several firms

% market share	North	East	West	South
Asian Paints	48	32	33	41
Berger Paint	14	30	26	38
Kansai Nerolac	22	28	13	7
Others (smaller & local brands)	16	10	28	14

Source: RHP, Company website, Frost & Sullivan, Elara Securities Research

Catering to high demand for low value products

Low value products like wall putty, cement paints (exterior), acrylic pouch distemper (interiors) and primers (undercoat) are major products in which unorganized firms were concentrated apart from enamels (high realization product). After three big business-related shocks (demonetization, GST & the lockdown) in the past four years, have led to rapid consolidation in the industry in favor of large branded firms and several small companies have lost their foothold in the market, due to working capital issues and price-led competition from branded firms as they released the GST rate cut savings into discounts.

Exhibit 4: Low value products available to cater to high demand in the rural markets

Product-wise contribution - value (%)	FY18	FY19	FY20
Cement paints and putty	14.3	13.4	14.6
Emulsions	41.9	43.7	45.3
Enamels and wood coatings	22.0	20.3	17.9
Primers, distempers and others	21.7	22.7	22.1
Low value products (as % of total sales)	36.1	36.0	36.8

Source: RHP, Company, Elara Securities Research

Tapping into brand agnostic non-metro & Tier 1 cities

Indigo Paints initially tapped into Tier II, III & IV cities and rural markets to create demand for its differentiated products. There, brand penetration is easier and dealers have greater ability to influence customer purchase decisions and leverage the network to engage with dealers in Tier I cities and metros. In states where the company has been present for some time, such as Kerala, West Bengal, Bihar, Jharkhand, Chhattisgarh, Odisha and Uttar Pradesh, it has expanded its existing network in Tier III & IV cities and rural areas, outwards into Tier I & II cities.

Recently entered states with 29% dealer network

In states that Indigo Paints has recently forayed include Telangana, Gujarat, Maharashtra, Karnataka and Tamil Nadu. The company intends to similarly proliferate in these states by first targeting tiers III & IV cities and rural markets, and then leverage this network to enter larger cities. As on 31 March 2020, it had a network of 3,292 active dealers (~29% of total active dealers' network) in these five states.

Heading to the northern states in FY21

The company is in the process of increasing its presence in North India, particularly in Punjab and Uttarakhand, and the union territory of Jammu & Kashmir, where it has recently commenced distributing its products.

Exhibit 5: Indigo with the highest contribution from non-metros and Tier 1 cities contrary to big firms

Demand breakdown (%)	Asian Paints	Berger Paints	Kansai Nerolac	Akzo Nobel	Indigo Paints
Metros and Tier 1 Cities	40	30	20	60	15
Rest of the markets	60	70	80	40	85

Source: RHP, Elara Securities Research

Exhibit 6: Higher salience from Tier II, III & IV cities leads to better performance of Indigo in H1FY21

H1FY21	Growth in revenue YoY (%)	EBITDA margin (%)
Asian Paints	(19.5)	23.2
Berger Paints	(21.6)	17.6
Kansai Nerolac	(30.3)	18.0
Akzo Nobel	(36.1)	10.6
Indigo Paints	(4.9)	18.5

Source: Company, RHP, Elara Securities Research

Product differentiation via end-use application

Indigo Paints consistently seeks to launch first-to-market products by identifying niche product opportunities and introducing products that address these requirements as they are easy to sell as consumers find them attractive.

- Floor coatings: Tier II, III & IV cities-centric products, due to more space outside the house, have better durability and good reputation. In the southern states of India, floor painting is also applied on staircases. In industrial areas, all factory floors are currently being coated with floor coatings, and in top cities, large popular schools use floor coating on all floors and also badminton & basketball courts. Indigo marketed this product more around durability and less about the look, which was a differentiator
- Ceiling paint: higher sheen and brightness for making the room look bigger; more dark colors also introduced as consumers in the rural markets like having colorful ceilings

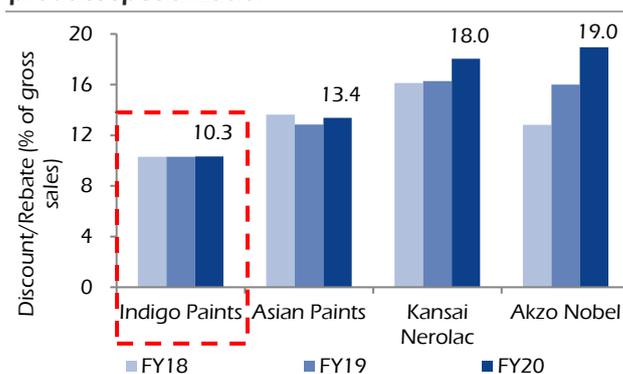
- Tile coatings: a special paint for external roof tiles that provides gloss and sheen with excellent protection against algae and fungus
- PU enamels: specialized metal-like finish being imparted on wooden surfaces, which gives a rich impression on furniture, doors and windows
- Polymer putty: Waterproof putty with better water repelling qualities
- Acrylic pouch distemper: Attractively packed pouch with better performance than normal powder distemper with no other competitor in this space
- Metallic emulsion: Applied on wood, walls and metals, it gives a zinc-like shine to the surface, which no other paint company has launched

Exhibit 7: Differentiated products contribution to revenue is increasing every year

Revenue from differentiated products	FY18	FY19	FY20
Gross revenue from differentiated products as per contracted price (INR mn)	1,182	1,640	1,972
as % of total contracted price	26.7	27.6	28.6
YoY (%)		38.7	20.3

Source: RHP, Elara Securities Research

Exhibit 8: Lowest rebate in the industry due to product specialization



Source: Company, RHP, Elara Securities Research

Product potential: caters to 11% of the decorative industry through its “differentiated products”

Exhibit 9: India - decorative paint industry (by application) - FY19

(%)	Value INR 403bn (breakdown %)	Volume 5.6mn tonne (breakdown %)	Value INR 403bn (INR bn)	Volume 5.6mn tonne	Realization (INR/kg)
Interior	39	24	157	1.34	116.9
Exterior	36	21	145	1.18	123.4
Roofing	6	10	24	0.56	43.2
Flooring	5	8	20	0.45	45.0
Others (wood, metals)	14	37	56	2.07	27.2
Total	100	100	403	5.60	72.0

Source: RHP, Company websites, Frost & Sullivan, Elara Securities Research

Differentiated products give pricing power and higher margin than the rest of the portfolio

Exhibit 10: Differentiated products that filled white spaces

Indigo Paints	Asian Paints	Berger Paint	Kansai Nerolac	Akzo Nobel
Bright Ceiling Coat - Gold (INR 168/ltr) for interior ceilings	Apolite Premium Emulsion (INR 264/ltr)	Never Miss Premium Ceiling Emulsion (INR 341/ltr), Rangoli (INR 277/ltr)	Beauty Gold (INR 271/ltr)	Dulux Super Smooth (INR 270/ltr)
Floor Coat Emulsion - Platinum (INR 518/ltr) for driveways	Apex Floor Guard (INR 450/ltr)	WeatherCoat Floor Protector (INR 485/ltr)	No such product	No such product
Tile Coat - Platinum (INR 364/ltr) for roof tiles	Apex Tile Guard (INR 365/ltr)	No such product	No such product	No such product
Metallic Emulsion - Platinum (INR 598/ltr) for walls	No such product	No such product	No such product	No such product
Dirt & Waterproof Exterior Laminate - Platinum (INR 437/ltr)	Ultima Protek (INR 423/ltr)	Weathercoat Long Life (INR 497/ltr)	Excel Top Guard (INR 475/ltr)	Weathershield Powerflex (INR 383/ltr)
Acrylic Laminate - Platinum (INR 410/ltr)	Ultima (INR 380/ltr)	WeatherCoat All Guard (INR 433/ltr)	Excel Total (INR 444/ltr)	Weathershield Max (INR 336/ltr)
PU Super Gloss Enamel - Platinum (INR 284/ltr)	Apolite Rust Shield Enamel (INR 278/ltr)	Luxol 7 In 1 (INR 340/ltr)	No such product	No such product
Polymer Putty - Gold (INR 34/kg)	No such product	No such product	No such product	No such product
Acrylic Distemper (Pouch) - Silver (INR 63/kg)	No such product	No such product	No such product	No such product

Source: Elara Securities Research

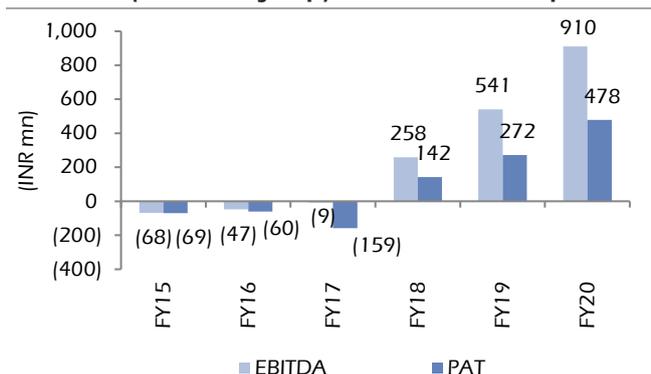
Water-based paints to meet growing demand for emulsion

The company intends to expand its manufacturing capacity at Pudukkottai, Tamil Nadu, to include making of water-based paints by adding capacity of 50,000KLPA (49% of current water-based paint capacity) to cater to growing demand for water-based paints. It is expected to be operational by FY23. Indigo also will carry out capacity expansion plans at its existing Jodhpur facility (Rajasthan) to increase capacity of liquid paints, such as emulsions and primers, and powder paints, such as putties.

Seeding tinting machines in profitable catchment areas

As tinting machines are a prerequisite for dealers which sell emulsion paints, Indigo’s better brand recognition in Tier II, III & IV cities and rural areas has made it easier for the company to make their tinting machines acceptable among dealers due to relatively low population of tinting machines in these markets. It has added on average 1,223 tinting machines every year for the past three years, taking the total count to 4,603 tinting machines (as on September 30, 2020), and, as a result, revenue from emulsion paint sales (45% of FY20 sales) has posted a sales CAGR of 29.5% over FY18-20.

Exhibit 11: Turnaround led by seeding tinting machines (2.5x sales jump) at an accelerated pace



Source: Company, RHP, Elara Securities Research

A tinting machine costs INR 30,000 for an Indigo dealer (INR 120,000 for Indigo), which also includes an in-built computer or a tablet and dealer can cover this cost within one year by achieving volume incentives. For Indigo, since sales from selling emulsions increases manifold (2.5x) after seeding the tinting machine, it leads to better throughput per dealer for Indigo despite adding dealers at an aggressive pace.

Exhibit 12: Throughput per dealer increasing every year despite aggressive dealer addition

Product-wise gross revenue (INR mn)	FY18	FY19	FY20
Cement paints and putty	634	795	1,008
Emulsions	1,859	2,598	3,121
Enamels and wood coatings	975	1,206	1,235
Primers, distempers and others	964	1,347	1,525
Gross revenue (invoicing as per contracted price)	4,431	5,946	6,889
Active dealers (no)	9,210	10,209	11,230
Tinting machines (No)	1,900	3,077	4,300
Throughput per dealer (INR pa)	4,81,131	5,82,401	6,13,453

Source: Company, RHP, Elara Securities Research

Indigo has ~11,000 active dealers, of which ~65% place order 2-3 times a month and ~90% place order at least once a month, which indicates products are well accepted in the market. The company also associates with a dealer, which has billing with large contractors to gain access to the painter network and provide it with teachings about Indigo products and quality so that they can influence customers to buy Indigo paint products. The company also is looking to capture dealers cement, TMT bars and rods space as they work on thin margin and by placing paint products, which offer ~25-30% dealer margin, and they can earn an overall margin of ~15-17%.

Exhibit 13: Indigo Paints outpace big paint companies in terms of tinting machine growth over FY18-20

	Asian Paints	Berger Paints	Kansai Nerolac	Akzo Nobel	Indigo Paints
FY18 (tinting machines ('000))	35.0	14.0	10.0	3.2	1.9
FY20 (tinting machines ('000))	46.0	20.0	17.0	5.5	4.3
-Tinting machine growth CAGR (%)	14.6	19.5	30.4	31.1	51.2
Tinting machine to dealer ratio (%) as on FY20	66	67	62	37	38

Source: Company Website, Frost & Sullivan, Elara Securities Research

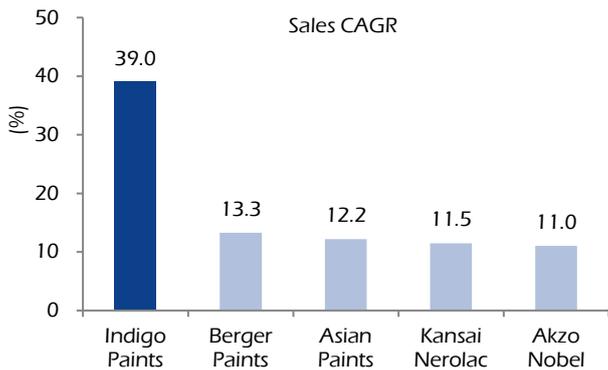
Exhibit 14: Indigo Paints to utilize INR 500mn from net proceeds toward purchasing tinting machines and gyroshakers

Particulars	FY22	FY23	FY24
Tinting machines			
Number of tinting machines (units)	1,045	1,283	1,378
Ex-works price per tinting machine (INR mn)	0.12	0.12	0.12
Total cost for purchase of tinting machines (INR mn)	123.31	151.34	162.54
Gyroshakers			
Number of gyroshakers (units)	550	620	725
Ex-works price per gyroshaker (INR mn)	0.03	0.03	0.03
Total cost for purchase of gyroshakers	18.27	20.59	24.08
Total cost (INR mn)	141.58	171.93	186.5

Source: Company, Elara Securities Research

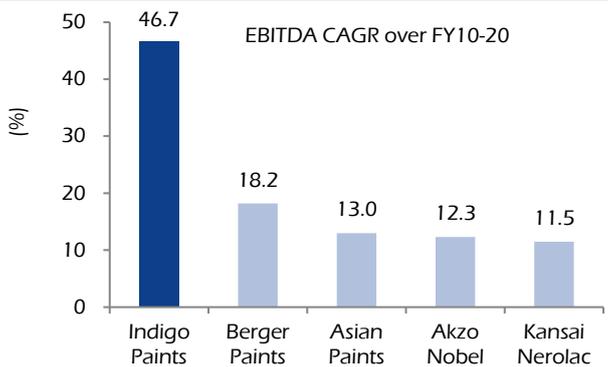
Financial metrics

Exhibit 15: Fastest-growing paint firm over FY10-20



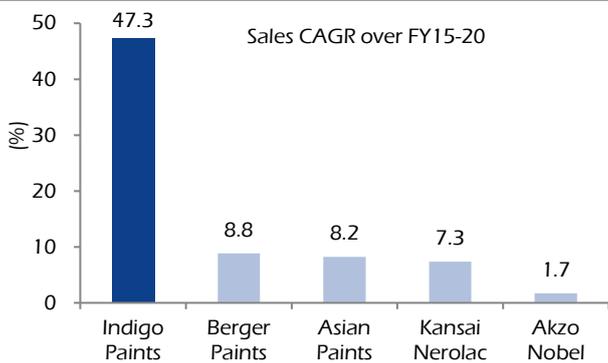
Source: Company, RHP, Elara Securities Research

Exhibit 16: ...and improves profitability with scale



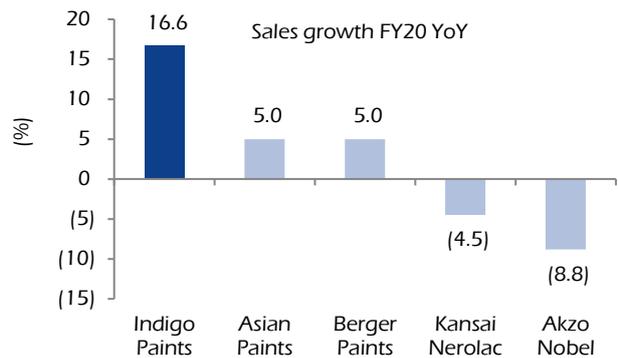
Source: Company, RHP, Elara Securities Research

Exhibit 17: Growth accelerates for Indigo Paints while slows for others



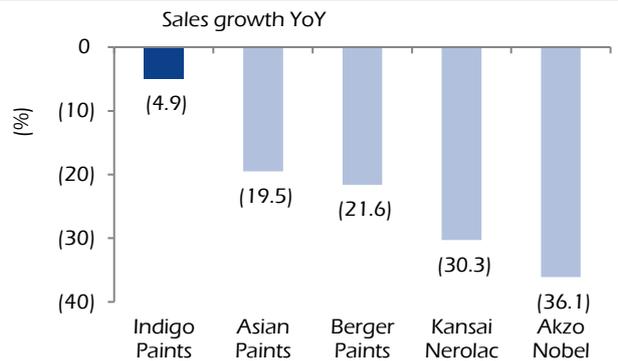
Source: Company, RHP, Elara Securities Research

Exhibit 18: Grown faster than most despite lockdown...



Source: Company, RHP, Elara Securities Research

Exhibit 19: Indigo Paints continues to outperform incumbents in H1FY21



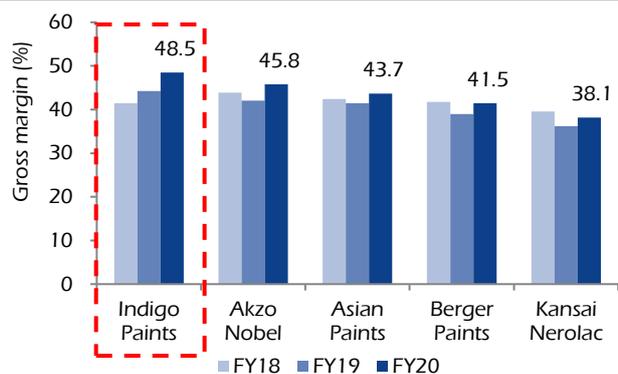
Source: Company, RHP, Elara Securities Research

Exhibit 20: Turns around in FY18 despite increasing brand investments through improving mix

	Berger Paints	Asian Paints	Kansai Nerolac	Akzo Nobel	Indigo Paints
EBITDA CAGR FY15-20	15.7	13.2	11.9	7.7	Turned EBITDA positive in FY 18

Source: Company, RHP, Elara Securities Research

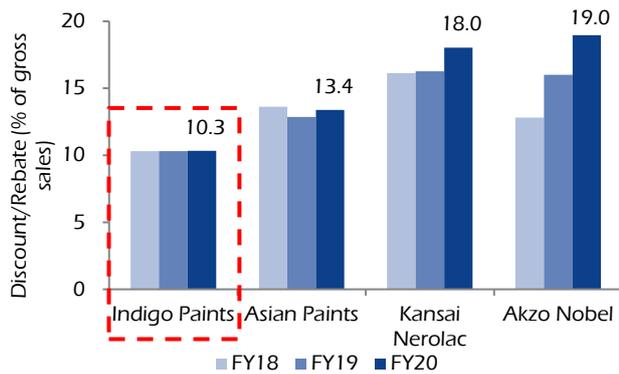
Exhibit 21: Indigo Paints gross margin best-in-class due to proximity to raw material sources



Source: Company, RHP, Elara Securities Research

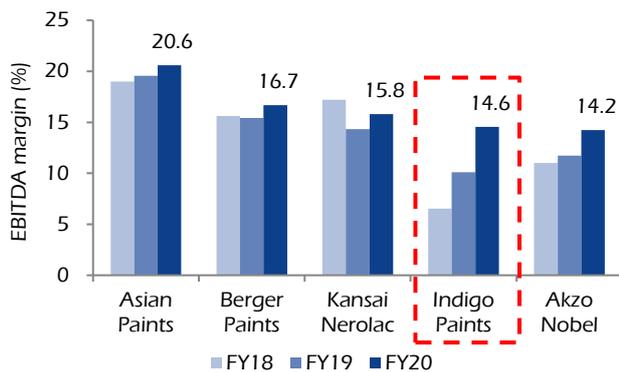
Indigo Paints

Exhibit 22: Lowest discounts due to product specialization



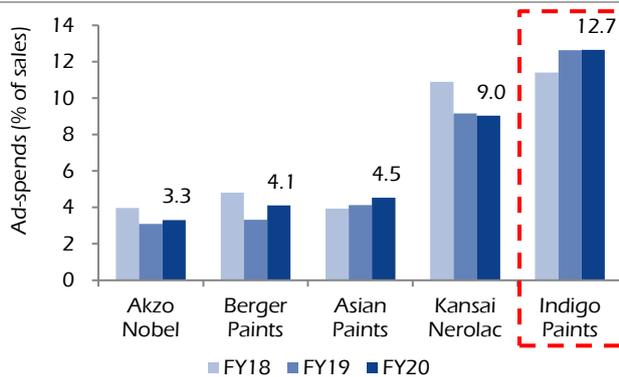
Source: Company, RHP, Elara Securities Research

Exhibit 23: Margin lower than peers due to much higher brand spend than peers



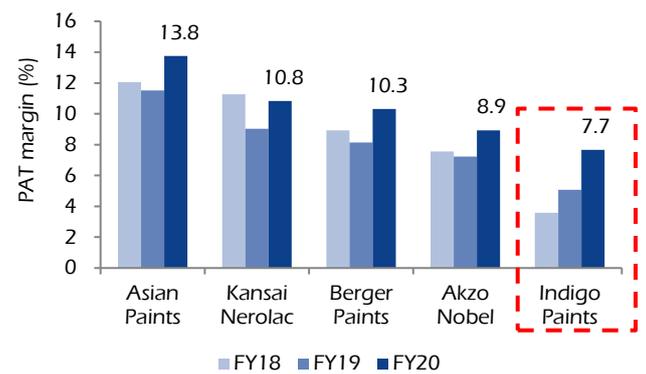
Source: Company, RHP, Elara Securities Research

Exhibit 24: Ad spend higher for creating brand awareness



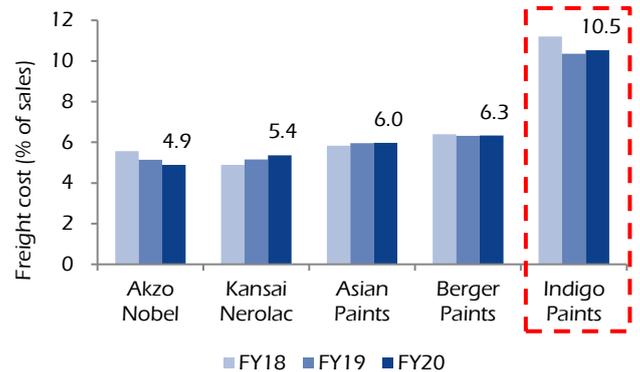
Source: Company, RHP, Elara Securities Research

Exhibit 25: Indigo Paints PAT margin is the lowest among top 5 firms but expanding rapidly



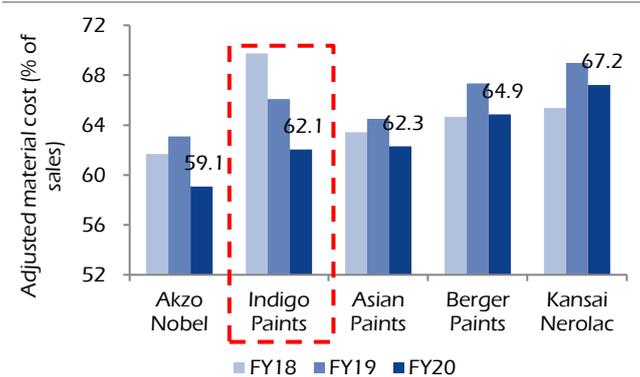
Source: Company, RHP, Elara Securities Research

Exhibit 26: Outward freight cost is the highest as located far away from demand centers



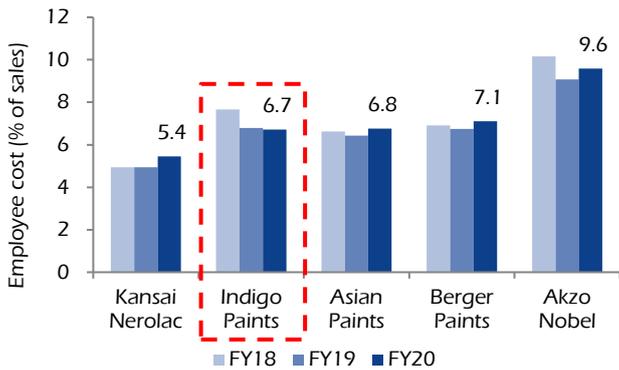
Source: Company, RHP, Elara Securities Research

Exhibit 27: Adjusted for outward freight, material cost for Indigo is at par with APNT



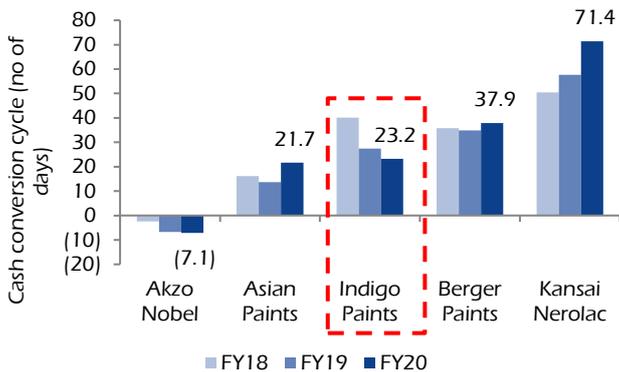
Source: Company, RHP, Elara Securities Research

Exhibit 28: Employee expenses (% of sales) for Indigo Paints are at par with the market leader



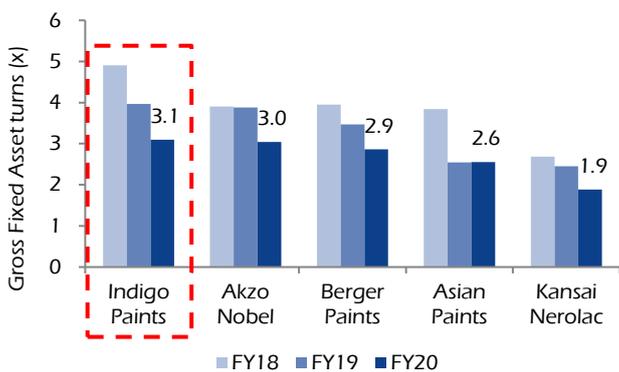
Source: Company, RHP, Elara Securities Research

Exhibit 29: Cash conversion cycle one of the lowest in the industry



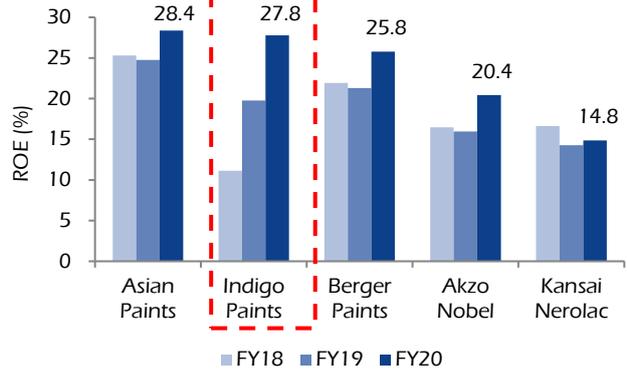
Source: Company, RHP, Elara Securities Research

Exhibit 30: Fixed asset turns for Indigo Paints is better than incumbents



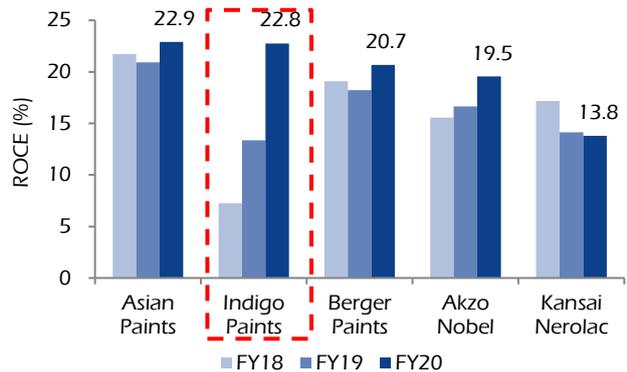
Source: Company, RHP, Elara Securities Research

Exhibit 31: Indigo Paints ROE almost at par with market leader



Source: Company, RHP, Elara Securities Research

Exhibit 32: Indigo Paints ROCE is one of the best due to low working capital requirements



Source: Company, RHP, Elara Securities Research

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