S R B C & CO LLP
Chartered Accountants

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Panchshil Tech Park, Yerwada
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Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Indigo Paints Limited
(Formerly known as Indigo Paints Private Limited)

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Indigo Paints Limited (the "Company") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

- The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

- We have not audited or reviewed the comparative financial information appearing in the Statement for the corresponding quarter ended March 31, 2020 which have been presented solely based on the information compiled by the Management and has been approved by the Board of Directors.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal
Partner
Membership No.: 501160

UDIN: 21501160AAAABG4888

Place: Pune
Date: May 14, 2021

Indigo Paints Limited (formerly known as "Indigo Paints Private Limited")
Registered Office: Indigo Tower, Street-5, Pallod Farm-2, Baner Road, Pune, Maharashtra- 411045
Corporate Identity Number: U24114PN2000PLC014669
Statement of audited financial results for the quarter and year ended March 31, 2021
(All amounts in rupees lakhs, unless otherwise stated)

Sl. No	Particulars	Quarter ended			Year ended	
		Mar 31, 2021 (Audited) (Refer note 4)	Mar 31, 2020 (Refer note 5)	Dec 31, 2020 (Unaudited)	Mar 31, 2021 (Audited)	Mar 31, 2020 (Audited)
1	**Income:**					
(a)	Revenue from operations	25,426.82	18,053.95	20,963.74	72,332.47	62,479.20
(b)	Other income	157.70	31.05	119.33	359.37	164.42
	Total Income	**25,584.52**	**18,085.00**	**21,083.07**	**72,691.84**	**62,643.62**
2	**Expenses:**					
(a)	Cost of raw materials and components consumed	13,289.47	8,623.10	10,723.35	36,394.68	32,113.19
(b)	Purchase of traded goods	549.65	313.84	698.11	1,783.48	1,085.64
(c)	Changes in inventories of finished goods and traded goods	(276.73)	(337.69)	(852.84)	(526.46)	(1,002.71)
(d)	Employee benefits expense	1,366.28	986.67	1,260.75	4,831.28	4,198.98
(e)	Finance cost	43.81	159.27	90.24	381.31	559.45
(f)	Depreciation and amortisation expense	696.99	541.07	620.45	2,438.95	1,960.99
(g)	Other expenses	6,204.45	3,806.80	5,985.39	17,597.88	16,985.40
	Total Expenses	**21,873.92**	**14,093.06**	**18,525.45**	**62,901.12**	**55,900.94**
3	**Profit before exceptional items and tax**	**3,710.61**	**3,991.95**	**2,557.62**	**9,790.72**	**6,742.68**
4	**Exceptional Items**	-	-	-	-	-
5	**Profit before tax**	**3,710.61**	**3,991.95**	**2,557.62**	**9,790.72**	**6,742.68**
6	**Tax expense**					
(a)	Current tax	1,007.88	1,192.21	619.65	2,555.37	1,471.34
(b)	Adjustment of tax relating to earlier periods	(84.85)	-	-	(84.85)	-
(c)	Deferred tax	301.55	69.60	59.49	235.19	489.86
	Total tax expense	**1,224.58**	**1,261.81**	**679.14**	**2,705.71**	**1,961.20**
7	**Net Profit for the period**	**2,486.03**	**2,730.14**	**1,878.48**	**7,085.01**	**4,781.48**
8	**Other Comprehensive Income, net of tax**					
(a)	Items that will not be reclassified to profit or loss in subsequent periods	(9.18)	(10.56)	(0.57)	(10.87)	(10.21)
	Total Other comprehensive income for the period	**(9.18)**	**(10.56)**	**(0.57)**	**(10.87)**	**(10.21)**
9	**Total Comprehensive Income for the period**	**2,476.85**	**2,719.58**	**1,877.92**	**7,074.14**	**4,771.27**
10	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	4,756.90	2,902.22	4,510.03	4,756.90	2,902.22
11	Other equity				51,592.07	14,972.80
12	Earnings Per Share (in Rupees) (^not annualised)					
	Basic	5.30^	6.06^	4.17^	15.55	10.61
	Diluted	5.29^	5.99^	4.11^	15.54	10.49

See accompanying notes to the financial results

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Statement of Assets and Liabilities

	Particulars	Mar 31, 2021 (Audited)	Mar 31, 2020 (Audited)
A	**ASSETS**		
I.	**Non-current assets**		
	Property, plant and equipment	18,822.99	14,203.04
	Capital work-in-progress	311.54	108.89
	Right-of-use assets	3,009.14	2,779.51
	Goodwill	3,055.20	3,055.20
	Other intangible assets	46.10	37.14
	Financial assets		
	(a) Loans	87.99	548.09
	(b) Other non-current financial assets	1,509.12	229.91
	Income tax assets (net)	-	17.37
	Other non-current assets	34.41	93.66
		26,876.49	**21,072.81**
II.	**Current assets**		
	Inventories	9,467.47	7,676.42
	Financial assets		
	(a) Investments	4,967.93	2,083.71
	(b) Trade receivables	12,119.16	10,447.43
	(c) Cash and cash equivalents	4,479.89	568.43
	(d) Bank balances other than cash and cash equivalents	21,351.16	-
	(e) Loans	366.50	31.58
	(f) Other financial assets	725.14	10.20
	Other current assets	762.58	305.36
		54,239.83	**21,123.13**
	Total Assets	**81,116.32**	**42,195.94**
B	**EQUITY AND LIABILITIES**		
I.	**Equity**		
	Equity share capital	4,756.90	2,902.22
	Instruments in the nature of equity	-	1,830.42
	Other equity	51,592.07	14,972.80
		56,348.97	**19,705.44**
II.	**Non-current liabilities**		
	Financial liabilities		
	(a) Borrowings	-	2,471.85
	(b) Lease liabilities	549.58	281.99
	Other liabilities	429.65	384.55
	Provisions	252.53	130.00
	Deferred tax liabilities (net)	695.22	696.69
		1,926.98	**3,965.08**
III.	**Current liabilities**		
	Financial liabilities		
	(a) Borrowings	-	1,452.91
	(b) Lease liabilities	325.13	344.10
	(c) Trade payables - total outstanding dues of:		
	-micro and small enterprises	5,039.65	2,589.59
	-creditors other than micro and small enterprises	13,517.46	11,269.35
	(d) Other current financial liabilities	1,524.24	1,939.29
	Other current liabilities	1,191.29	561.44
	Provisions	167.93	106.11
	Liabilities for income tax (net)	1,074.67	262.63
		22,840.37	**18,525.42**
	Total Equity and Liabilities	**81,116.32**	**42,195.94**

INDIGO PAINTS LIMITED

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Statement of audited financial results for the quarter and year ended March 31, 2021
(All amounts in rupees lakhs, unless otherwise stated)

Note to the financial results:

1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2 The results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 14, 2021.

3 **Statement of cash flows for the year ended March 31, 2021**

	Particulars	Mar 31, 2021 (Audited)	Mar 31, 2020 (Audited)
A.	**Cash flow from operating activities**		
	Profit before tax	**9,790.72**	**6,742.68**
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortization expense	2,438.95	1,960.99
	Employee stock option expenses	42.08	10.94
	Provision for impairment of financial assets (net)	70.07	28.44
	Loss/(gain) on disposal of property, plant and	2.90	(8.08)
	Finance costs	381.31	559.45
	Fair value gain on financial instruments at fair value through profit or loss	(165.90)	(113.24)
	Interest income	(158.33)	(17.08)
	Operating profit before working capital changes	**12,401.80**	**9,164.10**
	Working capital adjustments		
	Increase in trade payables and other financial liabilities	4,698.17	229.60
	Increase/(decrease) in other liabilities	674.95	(153.45)
	Increase in provisions	157.29	225.90
	(Increase) in trade receivables	(1,741.80)	(91.20)
	(Increase) in inventories	(1,791.05)	(743.84)
	(Increase) in other assets	(457.22)	(15.30)
	(Increase)/decrease in other financial assets	(290.91)	0.90
	Decrease / (increase) in loans	125.18	(140.05)
	Cash generated from operating activities	**13,776.41**	**8,476.66**
	Direct taxes paid (net of refunds)	(1,641.11)	(1,242.44)
	Net cash flow from operating activities (A)	**12,135.30**	**7,234.22**
B.	**Cash flows (used in) investing activities**		
	Purchase of property, plant and equipment and intangible assets including movement in CWIP, capital advances and capital creditors	(6,604.66)	(6,140.16)
	Proceeds from sale of property, plant and equipment	2.28	8.08
	Purchase of short term investments	(7,300.00)	-
	Proceeds from sale of short term investments	4,581.68	-
	Investments in bank deposits (having original maturity of more than three months)	(22,500.00)	-
	Interest received	27.96	5.27
	Net cash flow (used in) investing activities (B)	**(31,792.74)**	**(6,126.81)**
C.	**Cash flows from / (used in) financing activities**		
	Proceeds from issue of share capital (including Securities Premium)	29,549.40	-
	Proceeds from exercise of share options	408.59	176.83
	Transaction costs on issue of shares	(641.20)	-
	(Repayment of) short-term borrowings (net)	(1,452.91)	(1,017.68)
	Proceeds from long-term borrowings	-	(1,447.63)
	Repayment of long-term borrowings	(3,550.82)	1,459.77
	Payment of principal portion of lease liabilities	(411.11)	(425.40)
	Interest paid	(333.05)	(469.08)
	Net cash flow from / (used in) financing activities (C)	**23,568.90**	**(1,723.19)**
	Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**3,911.46**	**(615.78)**
	Cash and cash equivalents at the beginning of the year	568.43	1,184.21
	Cash and cash equivalents at the end of the year	**4,479.89**	**568.43**
	Components of cash and cash equivalents		
	Cash on hand	11.72	9.52
	Balances with banks		
	- on current accounts	1,071.42	558.91
	- on cash credit accounts (surplus)	885.81	-
	- deposits with original maturity of less than three months	2,510.94	-
	Total cash and cash equivalents	**4,479.89**	**568.43**

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4 The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2021 and the unaudited published year-to-date figures upto December 31, 2020 being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.

5 The financial results for the quarter ended March 31, 2020 have neither being reviewed nor audited by the Statutory auditor of the Company, however the management has exercised necessary due diligence to ensure that the financial results for the period provide a true and fair view of the Company's affairs.

6 The Company is engaged in manufacture and sale of decorative paints. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, and as such there is no separate reportable segments as per Ind AS 108 "Operating Segments".

7 During the quarter, the Company has completed initial public offer (IPO) including fresh issue of Rs. 29,973.43 lakhs comprising of 20,13,422 equity shares of Rs. 10/- each at an issue price of Rs. 1,490 per share (Rs 1,342 per share for employee quota). The equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India (NSE) w.e.f February 02, 2021.

The Company has incurred Rs. 4,251.33 Lakhs (net of GST) as IPO related expenses and allocated such expenses between the Company Rs. 1,087.71 Lakhs (net of income tax impact Rs. 854.71) and selling shareholders Rs. 3,163.62 Lakhs. Such amounts were allocated based on agreement between the various parties and in proportion to the total proceeds in the IPO. The Company's share of expenses of Rs. 854.71 Lakhs (net of all taxes) has been adjusted to securities premium.

The utilisation of IPO proceeds is summarised below

(Amount in lakhs)

Particulars	Objects of the issue	Utilized upto March 31, 2021	Un-utilized as on March 31, 2021
Funding capital expenditure for the Proposed expansion	15,000.00	125.82	14,874.18
Purchase of tinting machines and gyroshakers	5,000.00	-	5,000.00
Repayment/prepayment of certain borrowings of Company	2,500.00	2,500.00	-
General corporate purposes@	6,211.21	600.00	5,611.21
Total	**28,711.21**	**3,225.82**	**25,485.39**

@ Adjusted based on the final share of the Company's issue expenses
IPO proceeds which were unutilised as at March 31, 2021 were temporarily retained in monitoring account and fixed deposits

8 The Company's business operations during the months of April and May 2020 were impacted due to COVID-19 pandemic and consequent lockdowns. The Management has taken into account the possible impact of Covid-19 in preparation of the financial results, including assessment of recoverability of its assets based on the internal and external information upto the date of approval of the results. The Company will continue monitor any material changes to future economic conditions.

9 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

INDIGO PAINTS LIMITED

For Indigo Paints Limited

Hemant Jalan
Chairman & Managing Director

Place: Pune
Date: May 14, 2021