

# **PROJECT REPORT**

ON

**“ IPO RESEARCH ANALYSIS OF INDIGO PAINTS LIMITED ”**

**AFFILIATED TO**

**RASHTRASANT TUKDOJI MAHARAJ NAGPUR UNIVERSITY,  
NAGPUR**

In partial fulfillment for the award of the degree of

**“Master of Business Administration”**

Submitted by

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Under the guidance of

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**NAAC, Re-Accredited “A” Grade Autonomous institution**



**G.S. College Of Commerce & Economics, Nagpur**

**CERTIFICATE**

This is to certify that “**Kanchan Manoj Sattalwar** has submitted the project report titled “**IPO RESEARCH ANALYSIS OF INDIGO PAINTS LIMITED**” towards partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that she has ingeniously completed his/her project as prescribed by G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

**Prof. Afsar Sheikh.**  
**(Project Guide)**

**Dr. Geeta Naidu**  
**(Co-ordinator)**

**Place : Nagpur**  
**Date : 15/07/2021**

**G. S. College Of Commerce & Economics, Nagpur**

**DECLARATION**

I here-by declare that the project with title “**IPO RESEARCH ANALYSIS OF INDIGO PAINTS LIMITED**” has been completed by me in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

**Kanchan Sattalwar**

**Place: Nagpur**

**Date:15/07/2021**

**G.S. College Of Commerce & Economics, Nagpur**

**ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N.Y. Khandait, Principal, G. S. College of Commerce & Economics, Nagpur.

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I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

**Place:Nagpur**  
**Date:15/07/2021**

**Kanchan Sattalwar**

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# **Introduction**

## **Finance**

Finance is a term for matters regarding the management, creation, and study of money and investment. Specifically, it deals with the questions of how an individual, company, or government acquires money called capital in the context of a business and how they spend or invest that money.

Finance is then split into the following major categories:-

- Corporate Finance
- Personal Finance
- Public finance

At the same time, and correspondingly, finance is about the overall system, the financial market that allows the flow of money via investments and other financial instruments, between and within these areas; this flow is facilitated by the financial services sector.

A major focus within finance is thus investment management called money management for individuals, and assets management for institutions and finance then includes the associated activities of securities trading and stock broking , investment banking , financial engineering and risk management.

Fundamental to these areas is the valuation of assets such as stocks, bonds, loan but also by extension, entire companies.

Given its wide scope ,finance is studies in several academic disciplines, and correspondingly, there are several related professional qualifications that can lead to the field.

## **Management**

Management is the administration of an organization ,whether it is a business ,a non-profitable organization ,or a government body.

Management includes the activities of setting the strategy of an organization and coordination the efforts of its employees to



accomplish its objectives through the application of available resource, such as financial, natural, technological, and human resources.

The term “Management” may also refer to those people who manage an organization – managers.

Management is a set principles relating to the functioning of planning, organizing, directing, and controlling and the application of these principles in harnessing physical, financial, human, and informational resources efficiently and effectively to achieve organization goals.

In simple words, “Management means the control of organization of something.”

## **Financial Management**

Financial management means planning ,organizing, directing and controlling the financial activities such as procurement and utilization of funds of the enterprises. It means applying general management principles to financial resources of the enterprise.

### **Element of Financial Management**

1. Investment decision includes investment in fixed assets called capital budgeting. investment in current assets are also a part of investment decision called as working capital decisions.
  
2. Financial decision – They relates to the raising of finance from various resources which will depend upon decision on type of source, period of financing, cost of financing and the return thereby.
  
3. Dividend decision – The finance manager has to take decision with regards to the net profit distribution.

## **Objectives of Financial Management**

1. To ensure regular and adequate supply of funds to the concern.
2. To ensure adequate returns to the shareholders which will depend upon the earning capacity, market price of the share, expectations of the shareholders.
3. To ensure optimum funds utilization, once the funds are procured, they should be utilized in maximum possible way at least cost.
4. To ensure safety on investment, i.e. funds should be invested in safe ventures so that adequate rate of return can be achieved.
5. To plan a sound capital structure –There should be sound and fair composition of capital so that a balance is maintained between debt and equity capital.

## **Functions of Financial Management**

- **Estimation of capital requirement**

A finance manager has to make estimation with regards to capital requirements of the company. This will depend upon expected costs and profits and future programs and policies of a concern. Estimations have to be made in an adequate manner which increases earning capacity of enterprise.

- **Determination of capital composition**

Once the estimation have been made, the capital structure have to be decided. This involves short term and long term debt equity analysis. This will depends upon the proportion of equity capital a company is possessing and additional funds which have to be raised from outsidess parties.

- **Choice of sources of funds**

For additional funds to be procured, a company has many choices like-

- a. Issue of shares and debentures

b. Loans to be taken from banks financial institutions

c. Public deposits to be drawn like in form of bonds.

Choice of factor will depend on relative merits and demerits of each source and period of financing.

- Investment of funds

The finance manager has to decide to allocate funds into profitable ventures so that there is a safety on investment and regular return is possible.

- Disposal of surplus

The net profits decision have to be made by the finance manager. This can be done in two ways:-

a. Dividend declaration

b. Retained Profit

- Management of Cash

Finance manager has to make decisions with regards to cash management. Cash is required for many purposes like payment of wages and salaries, payment of electricity and water bills, payments to creditors , etc.

- **Financial Controls**

The finance manager has not only to plan , procure and utilize the funds but he also has to exercise control over finances

## Topic



### Initial public offering (IPO);-

An initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance. Public share issuance allows a company to raise capital from public investors. The transaction from a private to a public company can be an important time for private investors to fully realize gains from their investments as it typically includes share premium for current private investors.

An ‘initial sale of stock’ is an organization ‘s first offer of stock to people in general. This is the reason it is additionally termed as “opening up to the world” at the point when an organization that has

already issued, stock issues progressively stock it is known as a 'second offering' .

IPO is a crucial step for a company's issuance of initial share market.

A company marks its first ever step into the share market. IPO is a hot talk among Indian market, as consultation of corporate are venturing in this growing nation.

Various Companies that undertake IPO takes the assistances of investment banking which acts as underwriter to advance firm wisely.

This process can be used by small or gaint companies for expansion and make their company go public.



## **The pricing methods :-**

The Indian securities market has experienced a several building changes especially after the deregulation of the economy. The dynamic financial condition and the floods of globalization and advancement have contributed generously for the extending ,augmenting and widening of the securities showcase.

### **1. Fixed Price Method :-**

In this method ,firm with the consultation of investment bank, fixes the price. This is the price at which investor will subscribe to capital. It is a traditional method of pricing the IPOs.

### **2. Book Building Method :-**

In this type of method pricing done by fixing band instead fixing a price . Book Building is a price discovery component utilized by organizations issuing the securities.

### 3. Underpricing of IPO :-

IPO underpricing, basically is the contrast between the closing offer price of a stock (through IPO) and the end cost of the equivalent on the first exchanging day if the cost is higher.

# **Company Profile**

Indigo Paints (“Indigo”) is the fifth largest decorative paint company in India. It manufactures decorative paints including emulsions, enamels, wood coatings, distempers, primers, putties and cement paints. The company has over the years introduced unique paints products which has helped it to expand its dealers reach into domestic markets which is otherwise dominated by top four players. The premium product category contributes 28.6% in topline while rest comes from the other paint products categories.

Indigo Paints has a strong market network with dealers in Tier 1, Tier 2, and Metros as well. It has 3 manufacturing facilities situated in Jodhpur (Rajasthan), Kochi (Kerala), and Pudukkottai (Tamil Nadu). It is further looking to expand its manufacturing capacities at Pudukkottai to manufacture water-based paints.

## **Company Strengths**

- Large product portfolio with differentiated products.
- Well-proven, and consistent growth track record.
- Strong brand equity.
- Extensive network distribution.
- Strategically located manufacturing facilities.

## **Objects of the Issue:**

The net proceed from the Indigo Paints IPO will be used against following objectives.

- To meet the capital expenditure requirements for manufacturing facility expansion at Pudukkottai, Tamil Nadu
- To purchase tinting machines and gyroshakers.
- To repay all or certain borrowings.
- To meet general corporate purposes.

## **Company background**

Started in the year 2000, Indigo Paints Ltd (“Indigo”) is the fifth largest decorative paint company in India. It manufactures a complete range of decorative paints including emulsions, enamels, woodcoatings, distempers, primers, putties and cement paints. Over the years, the company has introduced some of the unique paints products (where the presence of other paint companies is negligible) which helped Indigo to expand its dealers reach into domestic markets which is otherwise dominated by top four players. Few products where indigo has first mover advantages are 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 referred as premium products’). The premium product category contributes 28.6% in topline while rest comes from the other paint products categories.

Indigo has total paint manufacturing capacity of ~1.95 lakh metric tonnes and its three plants are located in Rajasthan, Kerala and

Tamilnadu. The company has pan India reach with its 11,230 dealer networks which is growing ~10% annually. Over the last three years Indigo's revenue grew at a CAGR of 26% to | 624 crore led by volume CAGR of 27%. The EBITDA margin increased by ~800 bps to 14.6% during FY18-20 supported by benign input prices and rising contribution of premium products (revenue grew at CAGR of 30%). Finally, the PAT grew at CAGR of 104% in FY18-20 to | 47.8 crore.

## **History**

Started in the year 2000, Indigo Paints had a modest beginning. It started out with the manufacture of lower-end Cement paints, and gradually expanded its range to cover most segments of water-based paints like Exterior Emulsions, Interior Emulsions, Distempers, Primers, etc. From an early age, the Company spread its footprints across the country, with the rapid expansion of its reach across India. Today the Company stands out as one of the strongest contenders in the Indian paint industry, being rated as an innovative paint manufacturer, which keeps coming out with unique products never before offered in the country.

Over time, the Company found its niche in the paint industry through innovation. It kept churning out bright new ideas for painting solutions, with alarming regularity. Gradually, the industry began looking upon the Company as a futuristic thinker and a storehouse of new product development.

With changing time and trends, Indigo Paints revamped its identity showcasing a new wave of thinking by the Company. A few years ago it clubbed all its multiple brands for different product categories into a



single umbrella brand “INDIGO”. A new logo for the brand and the Company was created, which accurately reflected the core philosophy of the organization. The logo design was extended to all packaging design and other forms of corporate communication



**INDIGO**  
Be surprised!

## Company's Product

- Interior Emulsions
- Exterior Emulsion
- Exterior and Interior Emulsions
- Enamels
- Putties and Primers
- Sleek wood coatings
- Other products



## Why is Indigo Paints going public?

On the path of expansion, Indigo Paints is looking towards building assets. According to JM Financial, the company is likely to spend the funds being raised for the following activities:

- 1) Indigo Paints is setting up an additional manufacturing facility next to its existing one at Pudukottai, Tamil Nadu, with an estimated budget of Rs150crore.
- 2) The company is also looking to purchase tinting machines and gyroshakers worth Rs 50 crore



# **Literature Review**

- **Procianoy and Cigerza (2017)** in their near investigation of IPOs in developing markets of Brazil, India and China utilized multivariate direct relapse model with a blend of factors covering IPO explicit data, showcase related elements and full scale parameters. The factors utilized are offer size, Investment bank notoriety, last offer value, showcase execution, sham for products created utilizing cutting edge content, financing cost, FDI, GDP, swelling, and so on. In this investigation, the creators discovered market execution (when the issue) and the innovative sham were the main factors affecting short run beginning come back with satisfactory factual centrality at 12% or underneath. The autonomous factors utilized in the multivariate investigation of the principal day exchanging execution of the IPOs the Brazilian Market between January, 2014 to April, 2017 by Faria (2017) .
- **Dechow et al. (2012)** discover exact proof for this "irreconcilable circumstance speculation". Their exploration let them to presume that associated investigators distribute more hopeful figures and stock proposals than unaffiliated

- **K. Hema Divya (2014)** The Analysis from the measurable information that will cover the IPOs of different organizations embracing the book-building course additionally faces underpricing. There is a degree of over membership of an IPO, which will decide the First Day Gains. The over membership will prompt bigger First Day

Gains for the IPOs. The examination will assist us with finding out whether the stocks are undervalued or overrated. The small issue-size, independent organizations that will tell the best way to get a handle on the Investors during the blasting IPO showcase and gathered however much cash as could be expected from them. They undervalued more and returned to speculators after their IPOs to raise more assets, regardless of industry order.

- **Ajay Pandey (2005)** studied initial returns (difference between issue price and listing price) and long run performance of IPOs. The researcher considered 84 IPOs from the period 1999 - 2002, coming out with fixed price and book building route from the Indian capital market. The study found that the IPOs offered through fixed price method mobilized only a small amount of

capital . In contrast, IPOs offered through book building method mobilized larger quantum of capital . It was further found that IPOs offered through both fixed price and book building method underperformed in the first two years subsequent to the listing.

- **Baluja Garima(2013)** examined the efficacy of IPO grading mechanism by using a sample of 50 graded IPOs listed with BSE from 2007 to 2010. The researcher identified that the IPO grading is not an effective mechanism in reducing information asymmetry. The One Way ANOVA result exhibits no significant difference in listing price performance of the different graded IPOs. Hence, listing price performance of different graded IPOs varies due to chance or due to some other factors such as subscription level, Issue size, age of the firm etc. but it was irrespective of level of grades obtained by IPO.

**.Bandgar & Atul Rawal(2012)** studied the impact of pricing of Banks IPOs in long and short run. The researchers also evaluated the effect of size and issue nature (par, premium or at discount) of IPOs on its pricing. A sample of 10 banks were selected randomly which issued their equities through initial public offering (IPO) during the period 2000 – 2010. It was found that the average return in short run

was at - 8% and long run was at - 53%. Further findings from the study revealed that big issue size IPOs got listed with a higher listing price and the small issue size IPOs got listed with a lower listing price. IPOs with lower issue price gave more returns on the listing day than the IPOs with higher issue price. Private sector banks IPO's gave higher return than the public.

- **Arwah Arjun Madan (2003)** assessed the long run performance of IPOs in the Indian primary market during the pre and post liberalization era. A sample of 1597 companies having made IPOs during 1989 to 1995 at the Bombay stock exchange were studied. Considering the net return , 79.4% of the total 1597 IPOs registered a positive return on the listing day and 20.6% of IPOs registered negative returns.

### **Conclusion & Directions for Further Research**

After reviewing all the studies, it is observed that listing price is more than the issue price in all Indian IPOs. Buy and Hold Abnormal Returns (BHAR) was commonly applied in most of the research studies. Nature of issues (fixed price and book building) is also indifferent in underperformance. Short and long run



performance of IPOs were studied in the research papers. On the listing day, the IPOs resulted with positive returns.

# **Objectives**

- To understand changes in stock market
- To know the investment strategy for investors
- To understand the financial performance
- To understand growth opportunities.
- Knowledgeable and interesting topic

# **Relevance**

- To know why companies issue IPO
- To understand the process of IPO
- To understand benefits of IPO
- To understand the need of initial public offering
- To understand the results of IPO on company.
- To understand scopes after IPO for growth

# **Research Design**

## Research Design

Research design is the framework of research methods and techniques chosen by a researcher. The design allows researchers to hone in on research methods that are suitable for the subject matter and set up their studies up for success.

**1. Descriptive research design:** In a descriptive design, a researcher is solely interested in describing the situation or case under their research study. It is a theory-based design method which is created by gathering, analyzing, and presenting collected data. This allows a researcher to provide insights into the why and how of research. Descriptive design helps others better understand the need for the research. If the problem statement is not clear, you can conduct exploratory research.

**2. Experimental research design:** Experimental research establishes a relationship between the cause and effect of a situation. It is a causal design where one observes the impact caused by the independent variable on the dependent variable. For example, one monitors the influence of an

independent variable such as a price on a dependent variable such as customer satisfaction or brand loyalty. It is a highly practical research method as it contributes to solving a problem at hand. The independent variables are manipulated to monitor the change it has on the dependent variable. It is often used in social sciences to observe human behavior by analyzing two groups. Researchers can have participants change their actions and study how the people around them react to gain a better understanding of social psychology.

**3. Correlational research design:** Correlational research is a non-experimental research technique that helps researchers establish a relationship between two closely connected variables. This type of research requires two different groups. There is no assumption while evaluating a relationship between two different variables, and statistical analysis techniques calculate the relationship between them.

A correlation coefficient determines the correlation between two variables, whose value ranges between -1 and +1. If the correlation coefficient is towards +1, it indicates a positive relationship between the variables and -1 means a negative relationship between the two variables.



**4. Diagnostic research design:** In diagnostic design, the researcher is looking to evaluate the underlying cause of a specific topic or phenomenon. This method helps one learn more about the factors that create troublesome situations.

**5. Explanatory research design:** Explanatory design uses a researcher's ideas and thoughts on a subject to further explore their theories. The research explains unexplored aspects of a subject and details about what, how, and why of research questions.

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In this research study I used an Explanatory research design, and explain about the IPO and components of IPO and the need of IPO when the Company want to go public for the business expansion.

# **Research Methodology**

## **Research Methodology**

**Qualitative** data is richer and is generally grounded in a subjective and interpretivist perspective. However, while this is generally the case, it is not always so.

Qualitative research supports an in-depth understanding of the situation investigated and, due to time constraints, it generally involves a small sample of participants.

For this reason the findings are limited to the sample studied and cannot be generalised to other contexts or to the wider population.

Qualitative analysis is generally more time-consuming than quantitative analysis.

**Quantitative** data, on the other hand, might be easier to collect

and analyse and it is based on a large sample of participants.

Quantitative methods are based on data that can be 'objectively' measured with numbers.

The data is analysed through numerical comparisons and statistical analysis. For this reason it appears more 'scientific' and may appeal to people who seek clear answers to specific causal questions.

Popular methods based on quantitative data include questionnaires and organisational statistical records among others

## **Research Methodology**

**Primary data** is the information collected from sources such as personal interviews, questionnaires or surveys with a specific intention and on a specific subject, and observation and discussion by the researcher him or herself, which information is then assessed by that person.

It is a direct approach and, as it is tailored to a researcher's particular needs, reveals apparently, much-needed information to that researcher who started the research; that is, the results are used for the purpose for which he originally intended. It can be a lengthy process but does provide first-hand information.

**Secondary data** is information that is already available somewhere, whether it be in journals, on the internet, in a company's records or, on a larger scale, in corporate or governmental archives. Secondary data allows for comparison of, say, several years worth of statistical information relating to, for example, a sector of the economy, where the information may be used to measure the effects of change or whatever it is that is being researched.

## **Sources**

### **Primary data**

1. Observation
  - Bombay Stock exchange
  - National stock exchange
  - IDirect investment app
  - Company websites
  - Financial performance of other companies after issue of IPO
2. Interviews
  - Expert Talk
  - Telephonic Interview
3. Questionnaire

### **Secondary data**

- Previous Researches
- Balance sheet prior and after IPO
- Investments applications
- (Money control app., Grow app, etc.)
- Youtube channels

- Financial market websites

## **Research Methodology**

My research is mainly based on quantitative data and Disruptive methods using both primary data and secondary data as source of data collection.

### Primary data

- Online observation

### Secondary data

- Bombay stock exchange
- National stock Exchange
- Money control app
- IDirect app
- Economics times
- Times of India
- [www.indigopaints.com](http://www.indigopaints.com)

# **Hypothesis**



## **Hypothesis**

H<sub>0</sub> - Book Building is the suitable method for evaluating IPO.

H<sub>1</sub> - IPO is good option for expansion of Business.

**Data Analysis**  
**And**  
**Interpretation**

## Indigo Paints IPO Details

Open date	Jan,20 2021
Close Date	Jan.22 2021
Total shares	7840000
Face value	Rs.10 per equity shares
Issue Type	Book Building
Issue Size	1176cr.
Lot size	10 shares
Issue price	Rs.1488-1490per equity share
Listing at	NSE,BSE
Listing date	Feb 01 2021

### **Indigo Paints IPO Subscription Status (Bidding Detail)**

The Indigo Paints IPO is subscribed 117.02x times on Jan 22, 2021 05:00.

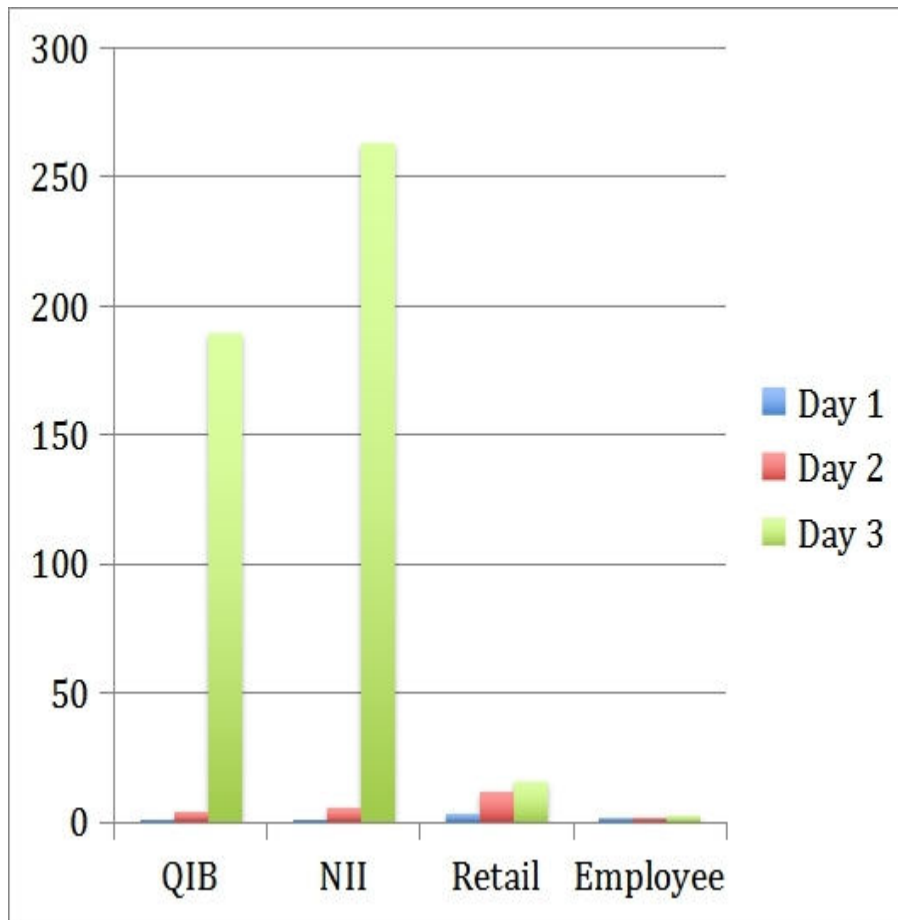
The public issue subscribed 15.93x in the retail category, 189.57x in the QIB category, and 263.05x in the NII category.

Category	IPO Subscription
QIB	189.57x
NII	263.05x
RII	15.93x
Employee	2.50x
Total	117.02x

Category	Shares offered	Subscription (no. of times, 5 PM)		
		Day 1	Day 2	Day 3
QIB	1,556,690	0.10	3.85	189.56
NII	1,167,514	1.09	5.38	263.04
Retail	2,724,198	3.30	11.56	15.93
Employee	70,000	0.72	1.80	2.49
<b>Total</b>	<b>5,518,402</b>	<b>1.89</b>	<b>6.96</b>	<b>117.02</b>

### Indigo Paints IPO Subscription Details

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Indigo Paints IPO subscription status: The initial public offering (IPO) of Indigo Paints has a price band of Rs 1,488-1,490 per share and will be open for subscription during January 20-22, 2021. The issue got oversubscribed within a few hours on the first day itself.

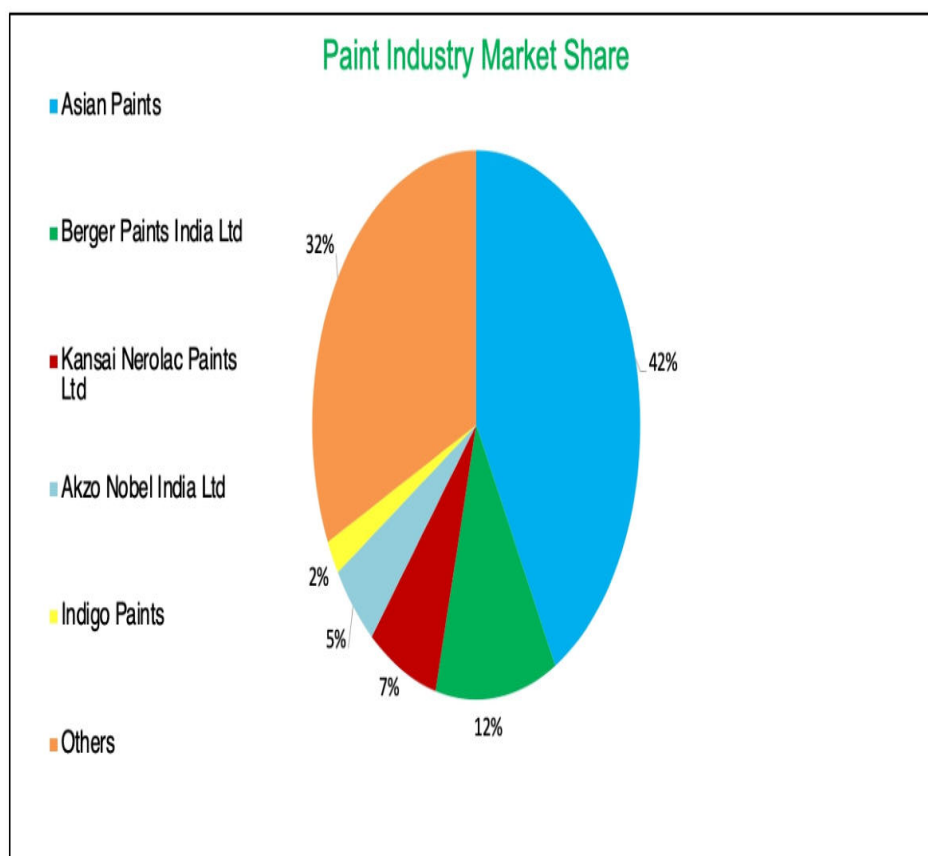
## Why Indigo Paints IPO?

The initial public offer (IPO) of Indigo Paints Limited offers an **early investment opportunity** in Indigo Paints Limited. A stock market investor can buy Indigo Paints IPO shares by applying in IPO before Indigo Paints Limited shares get listed at the stock exchanges. An investor could invest in Indigo Paints IPO for **short term listing gain** or a long term.



\*

## Market shares



Indian Paint Industry - Analysis of Top 4 Paint Stocks				
Parameters	Asian Paints	Berger Paints	Kansai Nerolac	Akzo Noble India
Market Cap (Rs. Cr)	1,87,820	54,806	26,318	9,743
Current PE Ratio	96.9	110.4	64.4	59.6
ROCE %	33.8%	29%	18.2%	27.3%
ROE %	27.50%	25.63%	14.33%	20.01%
Debt to Equity Ratio	0.11	0.29	0.05	0.05
Operating Profit Margin	19.3%	15%	14.3%	12%
Promoter Holding %	52.79%	74.99%	74.99%	74.76%
Pledged %	11.7%	0%	0%	0%
Sales Growth 5 years	8.22%	8.83%	8.54%	1.74%
Net Profit Growth 5 years	14.2%	20.3%	13.7%	10.2%
EV/EBITDA	56.9	62.2	40.2	31

investyadnya.



During the quarter the company has completed initial public offering (IPO) including fresh issues of rs.29,973.43 lakhs. Comprising of 20,13,422 equity of rs.10 each at an issue price of rs.1490 per share (1342 per share for employee quota). The equity shares of the company were listed on BSE limited (Bombay stock Exchange) and National stock Exchange of India (NSE) w.e.f. February 02,2021.

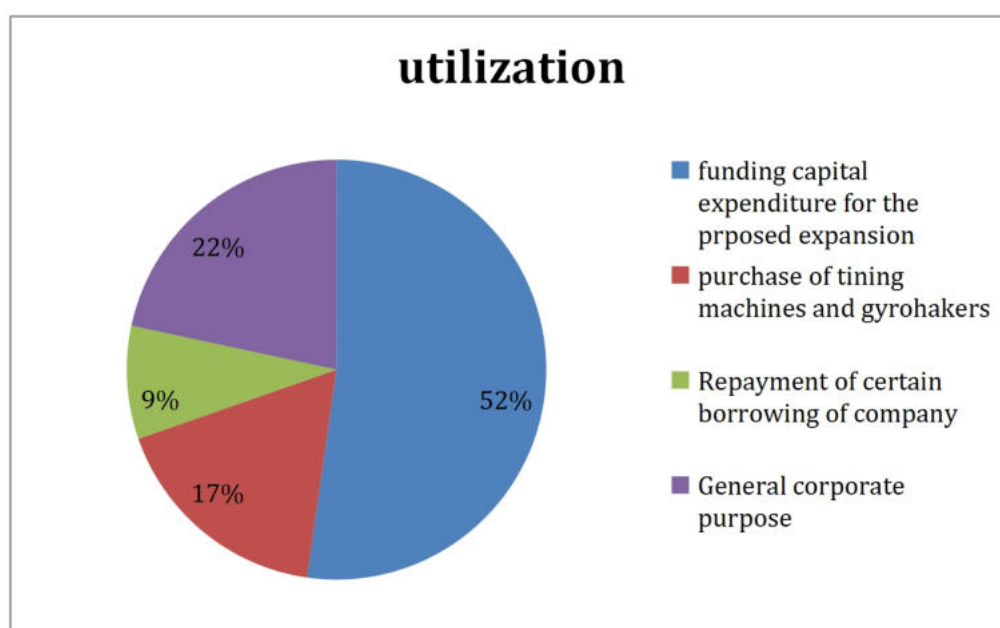
The company has incurred Rs.4,251.33 lakhs (net of GST) as IPO related expenses and allocated such expense between the company Rs.1,087.71 lakhs (net income tax impact Rs.8,540.71) and selling shareholders rs.3,163.62 lakhs. such amount were allocated based on agreement between the various parties and in proportion to the total proceeds in the Rs.854.71 lakhs (net of all taxes) has been adjusted to securities premium.

**The Utilization of IPO proceeds is summarized below:**

(Amount in Rs. Lakh)

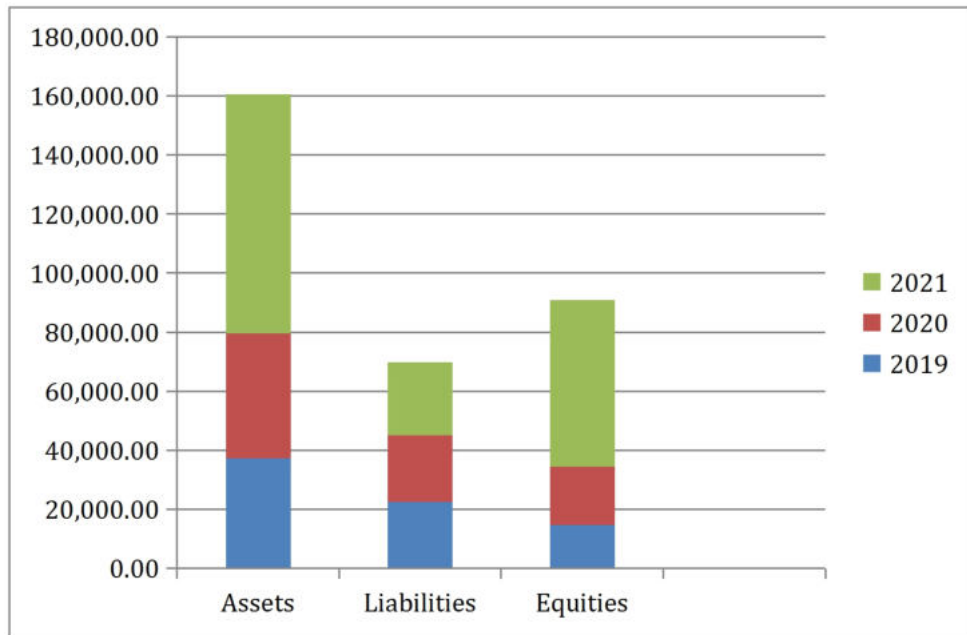
Particular	Object of the issue	Utilized up to March 31, 2021	Un-utilized as on March 31, 2021
Funding capital expenditure for the proposed expansion	15000.00	125.82	14,874.18
Purchase of tinig machines and gyroshakers	5000.00	-	5000.00
Repayment /Prepayment of certain borrowing of company	2500.00	2500.00	-
General corporate purposes	6211.21	600.00	5611.21
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 unutilized as at march 31,2021 were temporarily retained in monitoring account and fixed deposits.



## **Balance sheet of indigo paints pvt.ltd.**

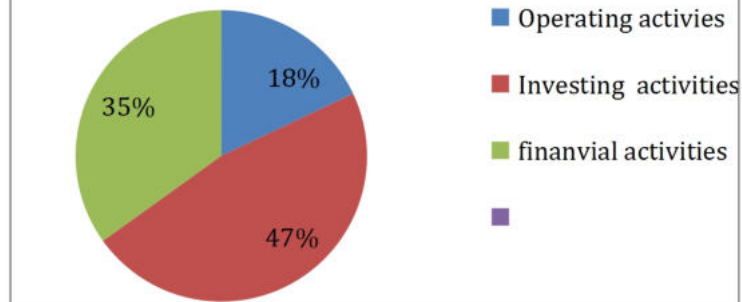
Particular	As on 31 March,2021	As on 31 March,2020	As on 31 March,2019
Current Assets	54,239.83	21,123.13	21,023.68
Non-current asset	26,876.49	21,072.81	16,294.57
Total Assets	81,116.32	42,195.94	37,318.25
Current Liabilities	22,840.37	19,222.11	19,023.11
Non-current Liabilities	1,926.98	3,268.39	3,548.71
Equities	56,348.97	19,705,44	14,746.43
Total Liabilities	81,116.32	42,195.94	37,318.25



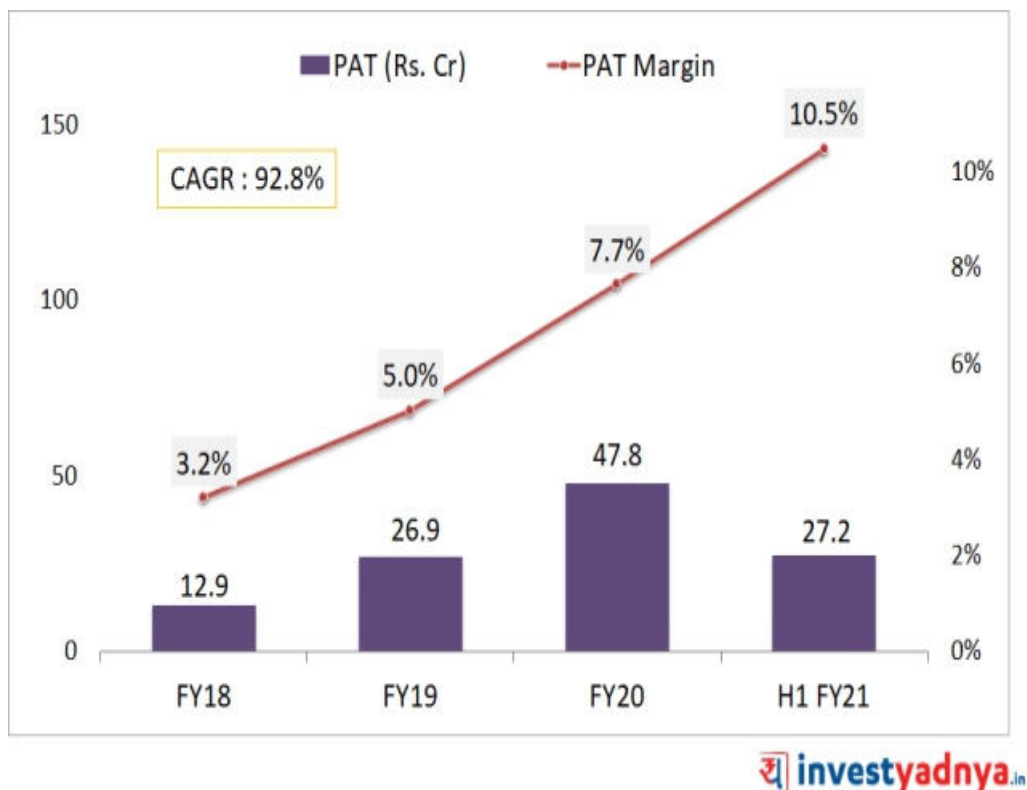
**Statement of cash flows for the year ended March 31,2021**  
(Amount in Lakhs)

Particular	Amount
Cash flows from operating Activities	12,135.30
Cash flows used in investing activities	31,792.00
Cash flows from (used in) financial activities	23,568.90

## Cash flows 2021

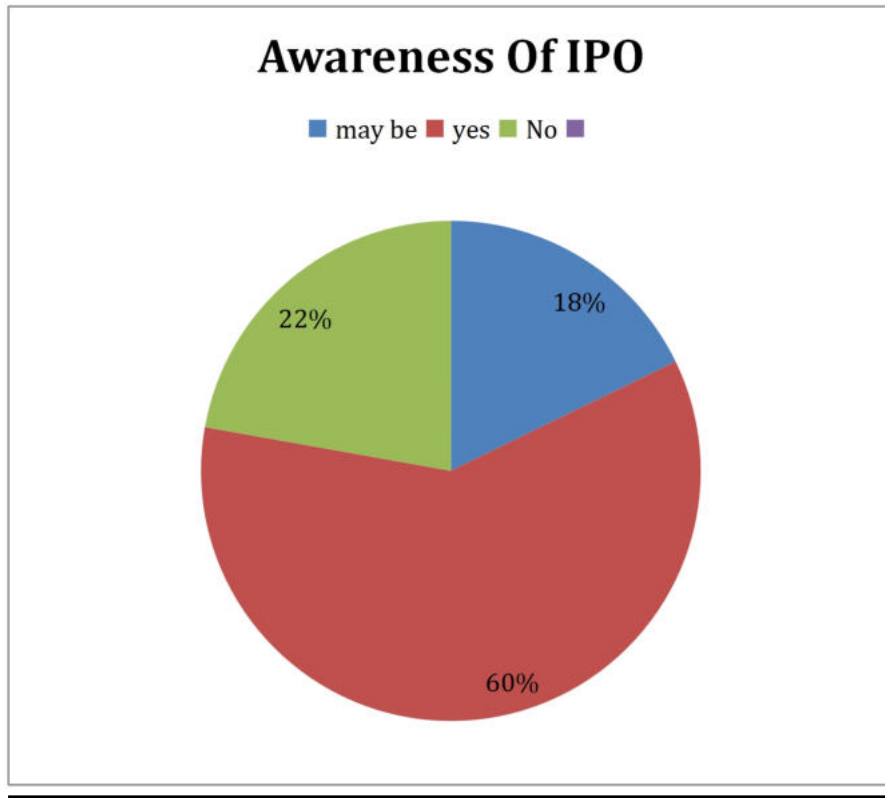


## Profit margin after tax



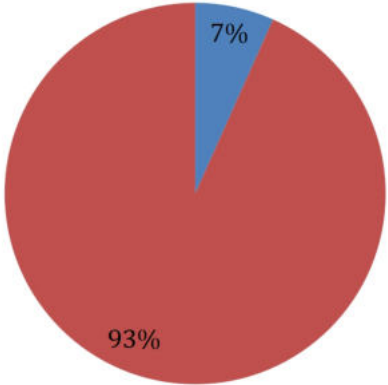
**IPO awareness done by me**

Forms response chart. Question title: Name. Number of responses: 45 responses.



**Who purchase share from IPO??**

# Purchase



- yes
- No
- 
-



# **Limitation**

## **Limitations of the study**

- Availability of secondary data
- Lack of reliable data
- Limited respondents.

# **Findings and Conclusions**

IPO is a good option for raising the funds from public and it also help to expansion of the business at global level.

In case of Indigo paints Pvt.Ltd. , Company opt IPO option for going public and raised equity capital at book building methods by fixing price band and at initial days the IPO is underpriced.

Conclusion of the study is IPO is very good option for considering the expansion aspect and through this company repaid the debt of firm and invest in expansion activities.

we can state that book making is the best strategy for evaluating an IPO in light of the fact that it understands the significant price spread that is found in regularly determined valuation techniques. In book creation techniques, there is less possibility of cost changes

# **Suggestions**

- There be should be proper secondary data
- For better research study there should be reliable information from the investors who invest in stock market.
- As a finance student we should invest in share market for good knowledge and better experience.

# **Bibliography**

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- IDirect app
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- National stock exchange



# **Annexure**

1. Name of respondent ??

Answer:- 45 Respondent

2. Gender of the respondent ??

Answer:- Female - 29

Male - 16

3. Age of respondent ??

Answer :- between 21 to 50 years old

4. Do you invest in stock market ??

Answer:- Yes - 11

No - 34

5. Do you think IPO is good option for fundraising??

Answer :- May be-25

Yes -18

No - 2

6. According to you what are the source for fundraising ??

Answer:-

Bank loan 60%

Issue of debenture 16%

Issue of bond 47.7%

Borrowing from outside 22%