



SIRCA PAINTS INDIA LIMITED

(Formerly known as Sircolor Wood Coatings Pvt. Ltd.)

Regd. office : Plot No-50, Badli Industrial Area, Phase-2, New Delhi-110042

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CIN NO: L24219DL2006PLC145092

TO,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD.
EXCHANGE PLAZA , 5TH FLOOR, PLOT NO. C/1
G-BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E)
MUMBAI – 400051.

SUB: SUBMISSION OF INVESTOR PRESENTATION
SYMBOL-SIRCA

Dear Sir/Ma'am,

Pursuant to **Regulation 30 of the SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015**, please find enclosed herewith **Earnings Presentation of Q1 & FY21** of the Company.

This is for your information and record.

Thanks & Regards,
SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Woods Coating Pvt. Ltd.)

Chahat Mahajan
Company Secretary & Compliance Officer
M.No. 51255

Place: Delhi
Date: 22/08/2020

An abstract graphic featuring a large light gray circle in the background. Overlapping it is a smaller blue circle. A dashed line forms a semi-circle passing through three smaller solid circles: a red one at the top, a yellow one at the bottom left, and a green one at the bottom right. Two thin black lines intersect the circles, one passing through the blue circle and the green one, and another passing through the red one and the blue one.

SIRCA PAINTS INDIA LIMITED

Q1FY21
Earnings Presentation

NSE: SIRCA | Bloomberg: SIRCA:IN | CIN: L24219DL2006PLC145092 →



Q1FY21 Result Discussion

Profit & Loss Summary

Q1FY21 (Unaudited) Result

(In Crores)

Particulars	Q1FY21	Q4FY20	Q1FY20	Y-O-Y%
Revenue from Operations	11.69	32.06	31.92	-63.4%
Total Income	12.22	32.73	33.59	-63.6%
Total Operating Expenses	11.94	27.84	24.24	-50.7%
EBITDA (Excluding OI and EI*)	-0.25	4.22	7.67	-103.4%
EBITDA (Excluding OI and EI*) %	-2.2%	13.2%	24.1%	(-) 2,627 BPS
Interest Cost	0.02	0.01	0.02	-14.8%
Depreciation & Ammortisation	1.18	1.08	0.33	255.5%
Profit Before Taxes	-0.92	3.05	8.98	-110.3%
Profit After Taxes	-0.69	2.31	6.44	-110.8%
EPS	-0.25	0.84	2.35	-110.6%

63.4% ▼
Q1FY21 Revenue from Operations at 11.69 Crores compared to 31.92 Crores in Q1FY20

103.4% ▼
Q1FY21 EBITDA at -0.25 Crores compared to 7.67 Crores in Q1FY20

2627 BPS ▼
Q1FY21 EBITDA margin at -2.2% compared to 24.1% in Q1FY20

111.3% ▼
Q1FY21 PAT at -0.69 Crores compared to 6.17 Crores in Q1FY20

*OI- Other Income, EI - Exceptional Item
*EBITDA adjusted for one-time Impairment of non-current assets in Q4FY20

Management Commentary

Q1FY21 Result Discussion

The performance for Q1FY21 was significantly disrupted due to the COVID-19 pandemic and subsequent lockdowns; in fact, Q1FY21 financial performance has witnessed the most severe impact due to the lockdown. Sales, marketing, and manufacturing operations were completely shut for almost 50 days, after which there was partial opening-up of markets, regional lockdowns, and discretionary restrictions in movement.

The company recorded a 63.4% decline in its Revenue from Operations, coupled with a 48.9% decline in volumes. The impact on profitability was severe due to the basic fixed-costs of the company. Employee Benefits Expenses stood at 2.97 Crores in Q1FY21 against 3.97 Crores in Q4FY20 and 2.75 Crores in Q1FY21. The Q-o-Q decline in Employee Benefits Expense accounts for some salary reductions for April and partially for May, for a select set of the team.

Onground Situation

At present, the company is witnessing encouraging demand in its home-territory in North-India. Western and Southern markets especially, Maharashtra, Kerala and Tamil Nadu are yet to recover in terms of demand. Additionally, there are still many restrictions in movements in some regions due to the growing spread of COVID. The demand for Italian PU products & Wall Paints has been encouraging and faster than NC & Melamine products.

On the OEM front, challenges such as availability of labour and optimal demand & production persist, especially in the Western markets.

Product Launch

White Cement Wall Putty - Sirca Paints India has announced the launch of White Cement Wall Putty, a product that finds application one-stage prior to Wall Paints. This is in line with the company's strategy of expanding its product portfolio; additionally, the company has been receiving healthy inquiries from its dealer network regarding Wall Putty products. This range will also be launched under our flagship brand - 'Sirca.'

PRIMO - The company has added another product in its Wall Paints category; with this, the total product tally stands at 16 products.

Infrastructure

Shift to nearby Premises - The company has shifted Wall Paints operations to a nearby located, much bigger unit in Rai, Haryana. The company will also manufacture recently launched White Cement Wall Putty in this new unit. The principal reason behind this shift has been higher than initially anticipated demand for Wall Paints, leading to the requirement of bigger premises to cater to the growing demand of Wall Paints and to add newer product categories.

Temporary Wood Coatings Facility - After the unfortunate fire-incident at the Sonipat Wood Coatings manufacturing facility on June 27th, the company shifted manufacturing

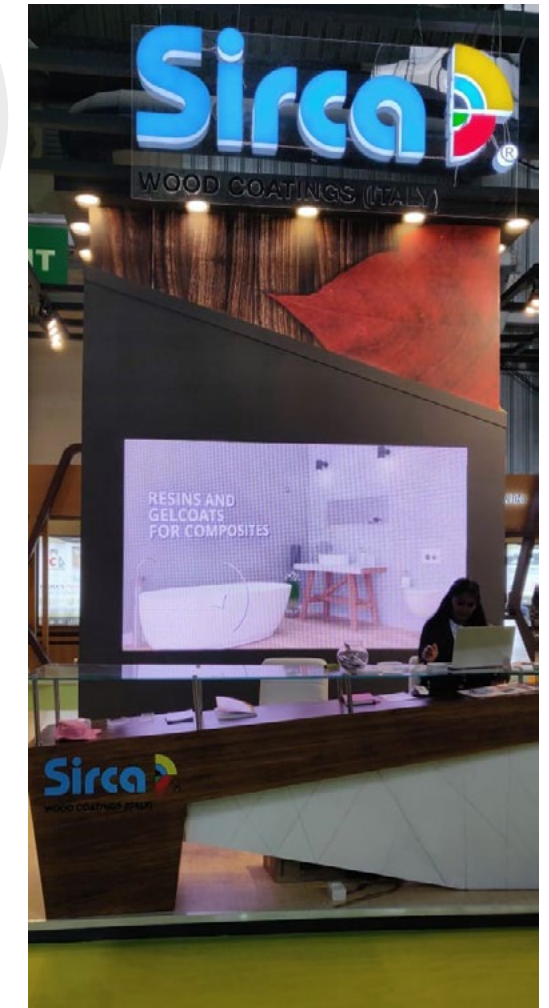
operations (at limited capacity) to a temporary location, to prevent any loss of business in the interim. The Forensic Survey is not completed yet, and the exact loss is yet to be determined. The manufacturing facility is 100% insured, and the management is confident of getting a full claim for the damages incurred.

Outlook

The company is confident of achieving an almost comparable level of operations in Q2FY21 compared to the pre-COVID levels & Q2FY20. The company is already close to its original monthly run-rate of sales turnover. The long term plans & strategies of the company remain intact, i.e., a) enlarging geographical footprint and strengthening distribution network, b) expanding product portfolio, and c) enhancing the brand recall for Sirca across the country.



Promotional Activity



Recent Events participated:

ABID Kolkata

India Wood Bangalore

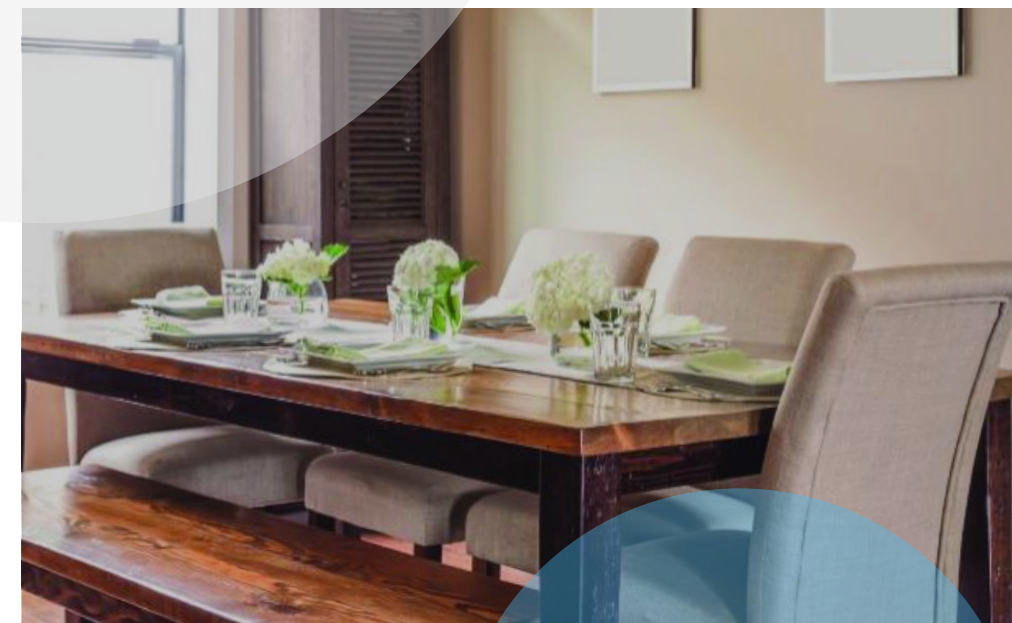
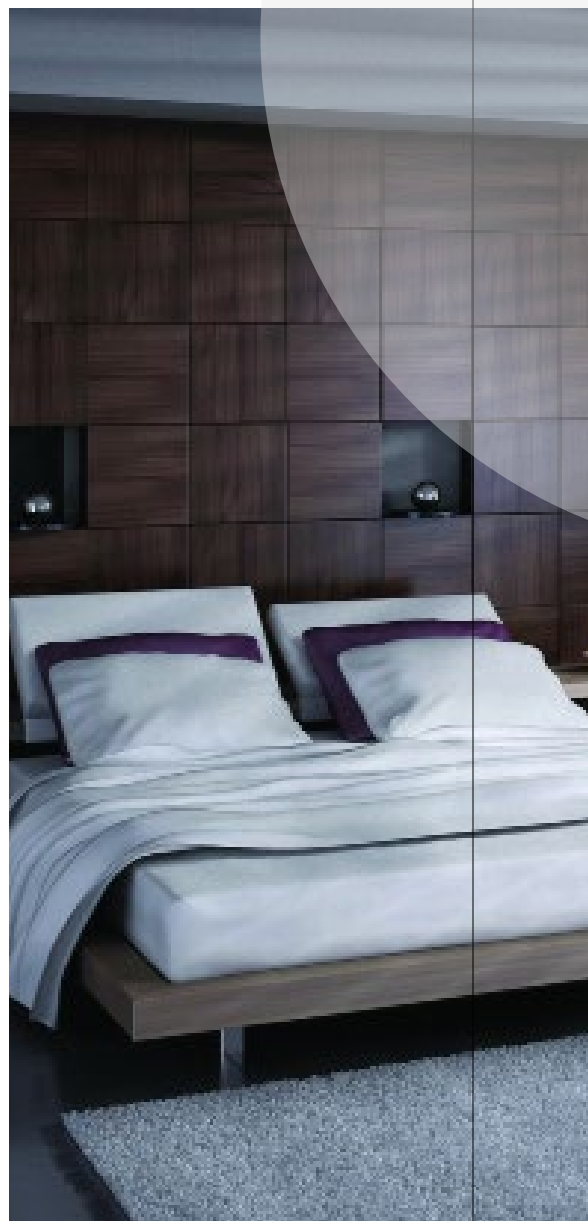
Merrut Architect Association Seminar cum Building
Material Exhibition



Company Overview

About Us

- **Incorporated** by Mr. Sanjay Agarwal and Mr. Gurjit Singh Bains in **2006** as 'Sircolor Wood Coatings Private Limited'.
- We **deal prominently** in premium wood, glass, metal coating products under the brand name 'Sirca'.
- We have an **exclusive tie-up with Sirca S.p.A (Italy)** for distributing and manufacturing rights of Sirca products for India, Nepal, Bangladesh and Sri Lanka.
- With our **newly commissioned manufacturing facility**, we have also started dealing in Melamine, NC and economical PUs which make up majority of the volumes in India.



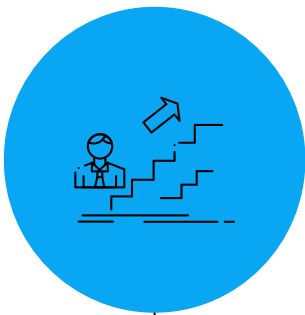
Company Snapshot



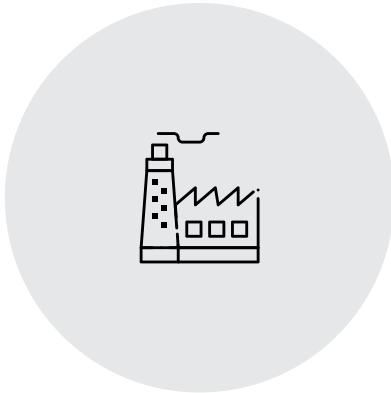
Among the leading premium wood coatings player in India



Exclusive tie-up with Sirca S.p.A Italy for Bangladesh, Nepal, Sri Lanka and India



Market leader in North India



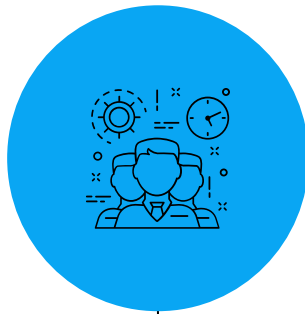
2 Manufacturing Facilities



OEM vs Retail Revenue Mix – 30% Vs. 70%



Number of dealers – 1629



Team Size – 327



Virtually Debt-Free

Product Portfolio

Entire range of product portfolio available to our channel partners

1. Wood Coatings

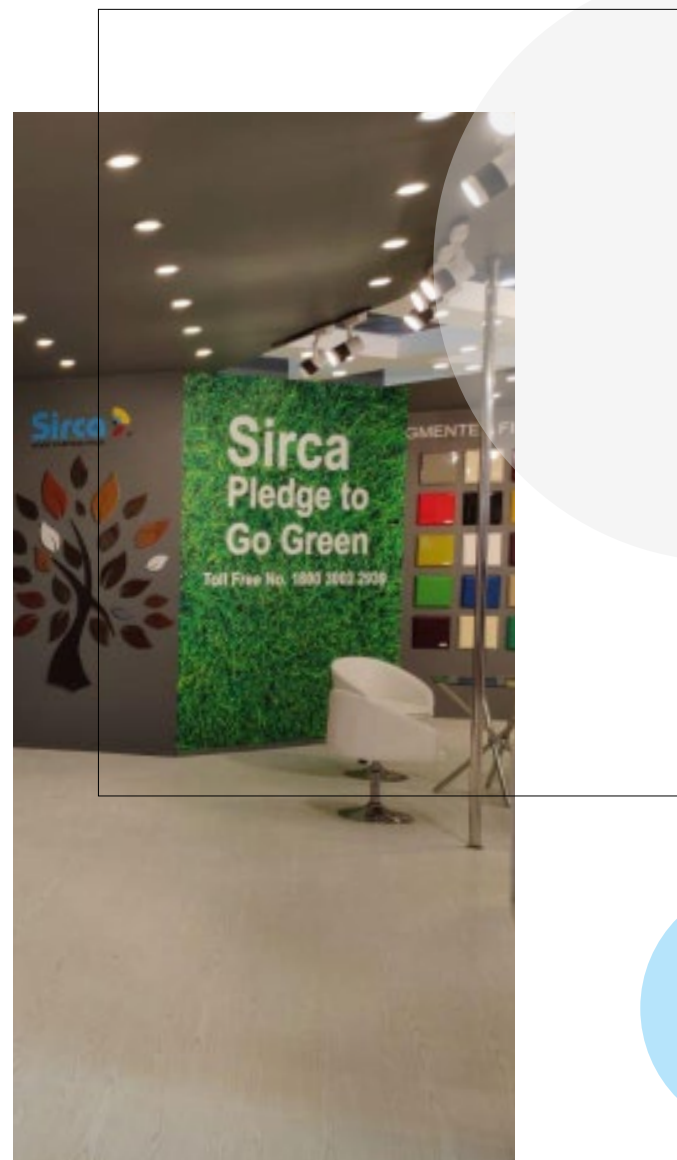
- Wood Stains
- Polyurethane Polish (PU)
- Polyester (Lamination)
- Acrylic Finishes
- UV Products
- Wood fillers
- Wood Care Products
- Hand Made Effects
- Special Effects

2. Metal Coatings

- Clear Coating
- Pigmented Coatings

3. Glass Coatings

- Pigmented Finish
- Special Effects



New Additions through Manufacturing Facilities

- Melamine
- Economical PU
- NC Products
- Thinners
- Wall Paints



Customer Segments

OEMs

- 30% revenue contribution.
- **Key clientele** includes: Godrej, Jindal Stainless, Indoline, Space Wood, Pyramid, MAS Furniture, Alsorg, Soundarya Decorators etc.
- **Growth strategy:**
 1. Dealing in **Premium products**.
 2. Providing **technical support** and **after sales services** to OEMs.



Retail

- 70% revenue contribution.
- Strong dealer network of **1629 dealers**.
- **Growth strategy:**
 1. Chain of studios being opened across India, currently **15 studios** are operational.
 2. Providing a **wider and self-sufficient product portfolio** to strengthen distribution network.

Capex

- The company has recently, in November'2019, commissioned a manufacturing facility for NC, Melamine, Economical PU products and PU thinner at Rai, Sonipat (NCR).
- This unit has been established with a total CAPEX of ~33.20 Crores, as a primary 'object of issue' of our initial public offer in 2018.
- This unit has a production capacity of 8000 Tonne for NC, Melamine and Economical PU products and 4000 Tonne for PU thinner and above in further years.
- This facility will employ approximately 50 people to handle its operations. At peak capacity utilization this manufacturing facility has a capacity to generate ~225 Crores in revenue with an optimal product-mix.
- During the H1FY20 the company has also successfully commissioned it's wall paint manufacturing unit with an annual capacity 24 Lac Liter.





Financial Summary

Profit & Loss Statement

(In Crores)

Particulars	FY16	FY17	FY18	FY19	FY20
Revenue from Operations	70.54	82.51	89.22	116.17	135.05
Total Income	72.66	84.34	93.57	122.35	140.66
Total Operating Expenses	60.91	62.30	63.26	84.31	103.26
EBITDA (Excluding OI)	9.63	20.21	25.96	31.86	31.78
EBITDA (Excluding OI) %	13.7%	24.5%	29.1%	27.4%	23.5%
Interest Cost	0.10	0.10	0.18	0.11	0.08
Depreciation & Ammortisation	0.51	0.39	0.59	0.93	2.39
Profit Before Taxes	11.13	21.55	29.54	36.98	34.18
Profit After Taxes	7.27	13.70	19.38	25.89	25.15

* Figures up till FY18 are not as per IND AS

Financial Summary

Balance Sheet

(In Crores)

Particulars	FY16	FY17	FY18	FY19	FY20
Shareholders Fund	20.42	34.12	67.63	167.84	184.65
Non Current Liabilities	0.23	0.02	0.33	0.48	0.18
Current Liabilities	24.41	27.14	26.57	22.45	24.98
Total	45.07	61.31	94.56	190.79	209.82
Non Current Assets	4.94	9.94	22.43	36.74	52.83
Current Assets	40.13	51.33	72.11	154.04	154.13
Non Current assets classified as held for sale					2.84
Total	45.07	61.31	94.56	190.79	209.82

* Figures up till FY18 are not as per IND AS

Contact Us

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