



# 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

Ph.: 011-42083083 / 47533213 Email : info@sircapaints.com Web.: www.sircapaints.com

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 **earning Presentation of Q4 & FY20** 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

Digitally signed by  
Chahat Mahajan  
Date: 2020.07.01  
13:25:44 +05'30'

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

**Place: Delhi**  
**Date: 01/07/2020**

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

Q4 & FY20  
Earnings Presentation

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



# Q4FY20 Result Discussion

# Profit & Loss Summary

Q4FY20 (Audited) Result

(In Crores)

Particulars	Q4FY20	Q3FY20	Q4FY19	Y-O-Y%
Revenue from Operations	32.06	33.47	31.94	0.4%
Total Income	32.73	34.29	34.76	-5.8%
Total Operating Expenses	27.84	24.86	23.47	18.6%
EBITDA (Excluding OI and EI*)	4.22	8.78	8.47	-50.1%
EBITDA (Excluding OI and EI*) %	13.2%	26.3%	26.5%	(-) 1335 BPS
Interest Cost	0.01	0.02	0.04	-59.3%
Depreciation & Ammortisation	1.08	0.64	0.25	319.6%
Profit Before Taxes	3.05	8.93	10.98	-72.2%
Profit After Taxes	2.31	6.64	6.17	-62.6%
EPS	0.84	2.42	2.26	-62.8%

**0.4%** ▲

Q4FY20 Revenue from Operations at 32.06 Crores as compared to 31.94 Crores in Q4FY19

**50.1%** ▼

Q4FY20 EBITDA at 4.22 Crores as compared to 8.47 Crores in Q4FY19

**1355 BPS** ▼

Q4FY20 EBITDA margins at 13.2%, down 1335 BPS as compared to 26.5% in Q4FY19

**62.6%** ▼

Q4FY20 PAT at 2.31 Crores as compared to 6.17 Crores in Q4FY19

\*OI- Other Income, EI - Exceptional Item

\*EBITDA adjusted for one-time Impairment of non-current assets in Q4FY20

# Balance Sheet Summary

Q4FY20 (Audited) Result

(In Crores)

Particulars	FY2020	FY2019	Y-o-Y%
Shareholders Fund	184.65	167.84	10.0%
Non Current Liabilities	0.18	0.48	-63.2%
Current Liabilities	24.98	22.45	11.3%
Total	209.82	190.79	10.0%
Non Current Assets	52.83	36.74	43.8%
Current Assets	154.13	154.04	0.1%
Non Current assets classified as held for sale'	2.84	-	-
Total	209.82	190.79	10.0%

# Cash Flow Summary

Q4FY20 (Audited) Result

(In Crores)

Particulars	FY2020	FY2019	Y-o-Y%
Operating profit/(loss) before working capital changes	33.12	33.92	-2.4%
Net cash (used in)/generated from operating activities	-7.56	12.34	-161.3%
Net cash (used in)/generated from investing activities	4.81	-71.28	-106.7%
Net cash (used in)/generated from financing activities	-8.45	68.36	-112.4%
Net Increase/ (Decrease) in cash and cash equivalents	-11.21	9.42	-219.0%
Cash and cash equivalents at the beginning of the year	15.79	6.37	147.7%
Cash and cash equivalents at the end of the year	4.58	15.79	-71.0%



# FY20 Result Discussion

# Profit & Loss Summary

Q4FY20 Result

Particulars	FY2020	FY2019	Y-o-Y%
Revenue from Operations	135.05	116.17	16.3%
Total Income	140.66	122.35	15.0%
Total Operating Expenses	103.26	84.31	22.5%
EBITDA (Excluding OI & Exceptional Items)	31.78	31.86	-0.2%
EBITDA (Excluding OI & Exceptional Items) %	23.5%	27.4%	-389 BPS
Interest Cost	0.08	0.11	-23.5%
Depreciation & Ammortisation	2.39	0.93	156.7%
Profit Before Taxes	34.18	36.98	-7.6%
Profit After Taxes	25.15	25.89	-2.9%
EPS	9.18	9.45	-2.9%

\*OI- Other Income, EI - Exceptional Item

16.3% ▲

FY20 Revenue from Operations at 135.05 Crores as compared to 116.17 Crores in FY19

0.2% ▼

FY20 EBITDA at 31.78 Crores as compared to 31.86 Crores in FY19

389 BPS ▼

FY20 EBITDA margins at 23.5%, down 389 BPS as compared to 27.4% in FY19

2.9% ▼

FY20 PAT at 25.15 Crores as compared to 25.89 Crores in FY19



# Management Commentary

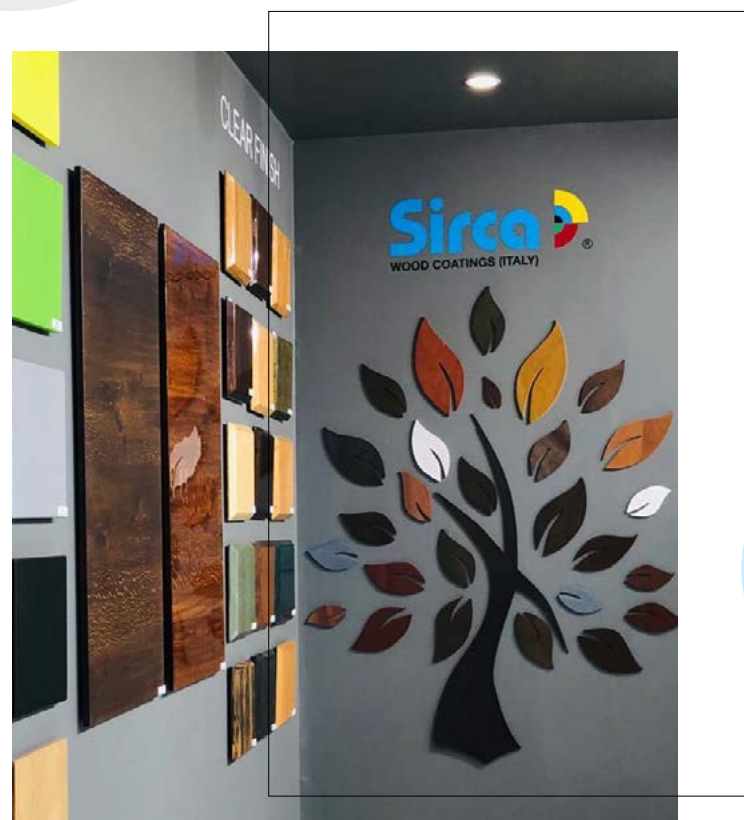
## Q4FY20 Result Discussion

As a common industry practice, a relatively large part of Q4 sales is recorded in the second half of March. This is primarily because dealers, painters, and distributors try to meet their sales target in order to avail the ATRs, incentives and discounts. We estimate a deferral of around 10-12 crores in sales to be booked in March 2020 on account of nationwide lockdown. This led to a flattish growth of 0.4% in sales in Q4FY20 on Y-o-Y basis. For the full FY2020, the company recorded a sales growth of 16.3% compared Y-o-Y basis, this was supported by a strong volume growth of 36.3% in FY20 compared Y-o-Y basis

On the EBITDA margins front, we saw a temporary deterioration due to the following factors a) A dip in the gross profit margins due to ATRs & trade discounts (directly deducted from sales) booked in Q4FY20. Additionally, the company had offered higher trade discounts in the last week of March to improve cash collections b) Increase in employee benefit expense from 2.55 crores in Q4FY19 to 3.97 crores in Q4FY20, this was mainly on account of a 76% increase in our sales and marketing team which increased from 83 members in FY19 to 146 members in FY20. Some personnel were also added in the manufacturing facility. However, there hasn't been any addition in the employee benefit expense compared on Q-o-Q basis. c) Increase in other expenses from 2.71 crores in Q4FY19 to 4.83 crores in Q4FY20, was mainly on account of i) additional rentals for newly added depots & branch offices ii) increase in sales promotion expenses iii) increase in advertisement expenses.

On the inventory front, the company had recorded a total inventory of 51.44 crores as on March 31, 2020, as compared to 26.77 crores as on March

31, 2019. A significant increase in inventories is attributable to a) Increased level of raw materials in Q3FY20 due to commissioning of the newly set up manufacturing facility, b) increased procurement of Italian PU products from Sirca S.p.A to prevent any disruption in supply from the increasing level of COVID-19 in Italy at the time and c) Subdued sales in March 2020 due to the national lockdown.



The company has been able to manage the trade receivables despite major payments getting deferred in the second half of March 2020. Recently, the company has implemented a 7-day payment policy, both on the dealer & OEM front, for all the new orders. The company is receiving a satisfactory response from this policy change, and as a result, the trade receivable position is much superior at present. The company is making constant efforts towards the reduction of its working capital cycle.

## Business Update

### a) Strengthened Physical Infrastructure

Major thrust on creating the necessary physical infrastructure to support growth across India. Stock depots, stockists, studios and branch offices being created across the country.

### b) Branch Offices

The company has increased its network to 15 branches & Depots at the end of FY20 from 7 branches & Depots in the previous year.

### c) Sales Team Expansion

The company continues to invest in its sales force to drive business development efforts and growth prospects. The total headcount for the sales and marketing personnel at the end of FY20 has reached 146 as compared to 83 in the previous year.

### d) Dealer Network

In the last 12 months, the company has increased its dealer network exponentially. From close to 555 dealers at the end of FY19 to 1629 as on date.

## Impact of COVID19

All domestic operations were disrupted since the second-half of March 2020 due to the national lockdown from March 24, 2020. The company had shut down its corporate headquarters, sales & branch offices and manufacturing facilities since March 24, 2020. On May 5, 2020, after relaxations in the lockdown & obtaining necessary permissions from the local authorities the company resumed operations at its manufacturing facilities with 25% workforce and 25% production, as compared to the pre-COVID levels.

The company also partially resumed offices, depots and warehouses wherever the lockdown restrictions were eased. After the partial opening of the market, the company is witnessing a pick-up in the demand from Tier - 2 & 3 cities & smaller towns due to relaxed restrictions and partial opening up of the markets.

Geographically, demand uptick for the company's products has been relatively slower in Western & Southern India as compared to Northern India.

Additionally, the company has observed demand inelasticity as far as the high-budget projects are concerned. In many cases, clients are eager to get the 'under-construction' projects completed as soon as the market opens up. Hence, at present, we are witnessing good volumes in our Italian PU segment as compared to the mass market products i.e. NC, Melamine, PU & Thinner.

After a considerably disrupted Q1FY21; the company is confident of achieving sales at par with the pre-COVID levels in Q2FY21, and growth thereafter, provided there isn't a major second-wave of lockdown and restriction of movements across the country due to COVID-19.

## Launch of Products

### Hygiene Plus

Being at the forefront of innovation, Sirca through its R&D capabilities has developed and launched a series of additives containing sanitizing microparticles, active in reducing up to 99.9% of bacterial contamination on surfaces. HygienePlus has been successfully tested in the certified CATAS laboratory, as per ISO 22196:2011 standards. This high-end product has been recently launched in the Indian markets and is receiving great appreciation & response from the influencers in the industry.

### Hand Sanitizers and Surface Disinfectants

Keeping in mind the need of the hour, and the immense demand for sanitization products Sirca Paints India has decided to launch a range of products in the same category. These products will help us in serving a growing demand for sanitization products at the distribution channels of

the paint industry, which is a growing trend that was observed currently. The company plans to principally cater to the demand of sanitization in its own distribution channel, with no major marketing and sales efforts. Additionally, the principal focus is to sell products in larger packaging for commercial enterprises, non-retail customers, and to cater to our OEM clientele.





# Promotional Activity



Recent Events participated:

ABID Kolkata

India Wood Bangalore

Merrut Architect Association Seminar cum Building  
Material Exhibition



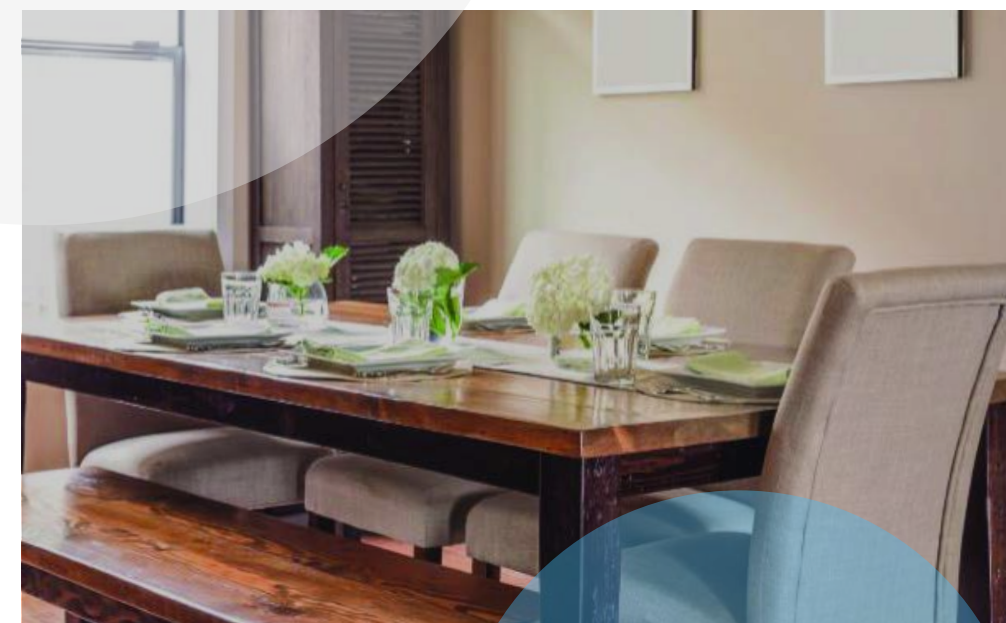


# Company Overview



# 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.



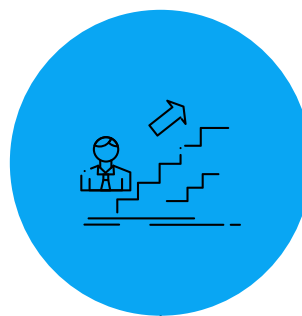
# Company Snapshot



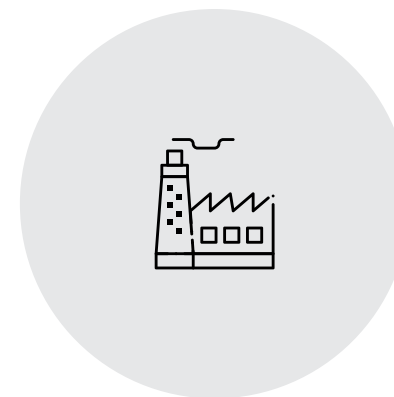
Among the leading premium wood coatings player in India



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

\*as on date

Sirca Paints India Limited

Result Presentation →



# 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 **14 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

## Mr. Chahat Mahajan

Company Secretary and Compliance Officer  
Sirca Paints India Limited  
[cs@sircapaints.com](mailto:cs@sircapaints.com)

## Mr. Sayam Pokharna

Integrated Reporting Advisor  
The Investment Lab  
[sayam@theinvestmentlab.in](mailto:sayam@theinvestmentlab.in)

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