

January 27, 2023

To, The Managing Director National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1 G-Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400051 NSE Symbol-SIRCA	To, The General Manager BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE Scrip Code:543686
---	---

SUB: SUBMISSION OF INVESTOR PRESENTATION

Dear Sir/Ma'am,

Pursuant to **Regulation 30 of the SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015**, please find enclosed herewith **Earnings Presentation of Q3 & FY23** of the Company.

This is for your information and record.

Thanks & Regards,

For Sirca Paints India Limited

Suraj Singh
Company secretary & Compliance officer

Place: Delhi

Encl: As above

Q3FY23

Earnings Presentation

J A N U A R Y 2 0 2 3

NSE: SIRCA | BSE: 543686 | Bloomberg: SIRCA:IN
CIN: L24219DL2006PLC145092



The background of the page is a 3D-rendered interior scene. It features a teal-colored wall. On the left, there is a white house-shaped shelf mounted on the wall, containing a small potted plant. In the center, a white paper lantern hangs from the ceiling. Below the lantern, there is a wooden table with two white chairs. On the table, there is a potted plant and some books. On the floor, there are some toys, including a toy car and a small wooden house. The floor is made of light-colored wood planks.

INSIDE

Introduction	04
Sirca at a Glance	05
Sirca's Value Proposition	06
Brand Portfolio	08
Sirca's Footprint & Distribution	09
Customer Segments	10
Manufacturing Facilities	11
Marketing & Promotional Activity Industry	13
Contractor Loyalty Program	15
Indian Paints Industry	16
Wood Coatings & Finishes	17
Board of Directors	18
5Y Financial Summary	21
Q3FY23 Result Discussion	25
Get in Touch	30
Disclaimer	31

Company Profile



INTRODUCTION

About Sirca Paints India Limited

- Sirca Paints India Limited (SPIL) is among the country's leading manufacturers of wood coating products. With its history dating back to more than 2 decades, today the company fulfils emerging aesthetic wood finishes needs of lakhs and adds extra mileage to India's growing furnishing market.
- The company is engaged in the manufacturing, sales and exports of wood coatings and other decorative paints under the brands 'Sirca', 'Unico, and others.
- With its newly commissioned manufacturing facility, SPIL is progressing on its journey to become a leading brand in the Indian wood coatings & paints market.
- The company is recognized for its hallmark of superior quality wood finishes. With a vision to have a global footprint, the company is working towards exporting its products to neighboring countries i.e. Nepal, Bangladesh and Sri Lanka catered by its state-of-the-art manufacturing facility at Sonipat.

Exclusive licensee
products to Nepal,
Bangladesh & Sri Lanka

Newly commissioned
manufacturing facility



About Sirca S.P.A (Italy)

Founded in the 1973, Sirca is an integral part of the Durante Group. It is among the leaders in the field of Italian wood paints, with a widespread presence in 85+ countries, 300+ employees, 4 production plants, and a turnover of €180+ million. Sirca is a research and development-oriented organization, employing more than 20% of its personnel in technical areas, such as analysts, testers, colorists, and applicators.

Sirca's value proposition revolves around premium Italian wood coatings & finishes, which are developed in collaboration with Italy's most prestigious furniture brands.



85+
Countries



300+
Employees



4
Production Plant



€180+ Mn
Turnover

SPIL AT A GLANCE



EXCLUSIVE LICENSEE

Of Globally Established 'Sirca' brand for India, Nepal, Bangladesh and Sri Lanka



486

Team Strength



26

Sirca Studios



MARKET LEADER

Among the Top 3 Premium wood coatings brand in India
Market Leader in North India



2,417

Nodes* in Distribution Network



02

Manufacturing Facilities



OEM VENDOR

Preferred OEM Vendor on its way to become a Dominating Retail Brand



13

Branches & Depots



659

OEM's Clientele

* Including OEM's

VALUE PROPOSITION

The promise and quality of **'Made in Italy'** blended with innovation, research and development to provide the most sophisticated and customized products and services in the paints industry.



CORE OFFERING :



Premium Italian Wood Coatings



Metal Coatings



Glass Coatings



VALUE PROPOSITION

Portfolio Expansion



Wall Paints Range



Recent Additions



Wood Coatings

MASS MARKET RANGE

- Nitrocellulose (NC), Melamine, PU Coatings and Thinners
- Hygiene Plus Additives



Wall Paints & others

- **San Marco Portfolio**
(Decorative, Solid Colour Finishes, and Texture Coatings)
- **DuranteVivan Portfolio**
(Adhesives)



BRAND PORTFOLIO

Sirca

- Luxury Italian Wood Coatings
- High-end Wall Paints

Unico

- Mass-market Wood Coatings products

San Marco

- High-end Decorative, Solid Colour Finishes and Texture Coatings

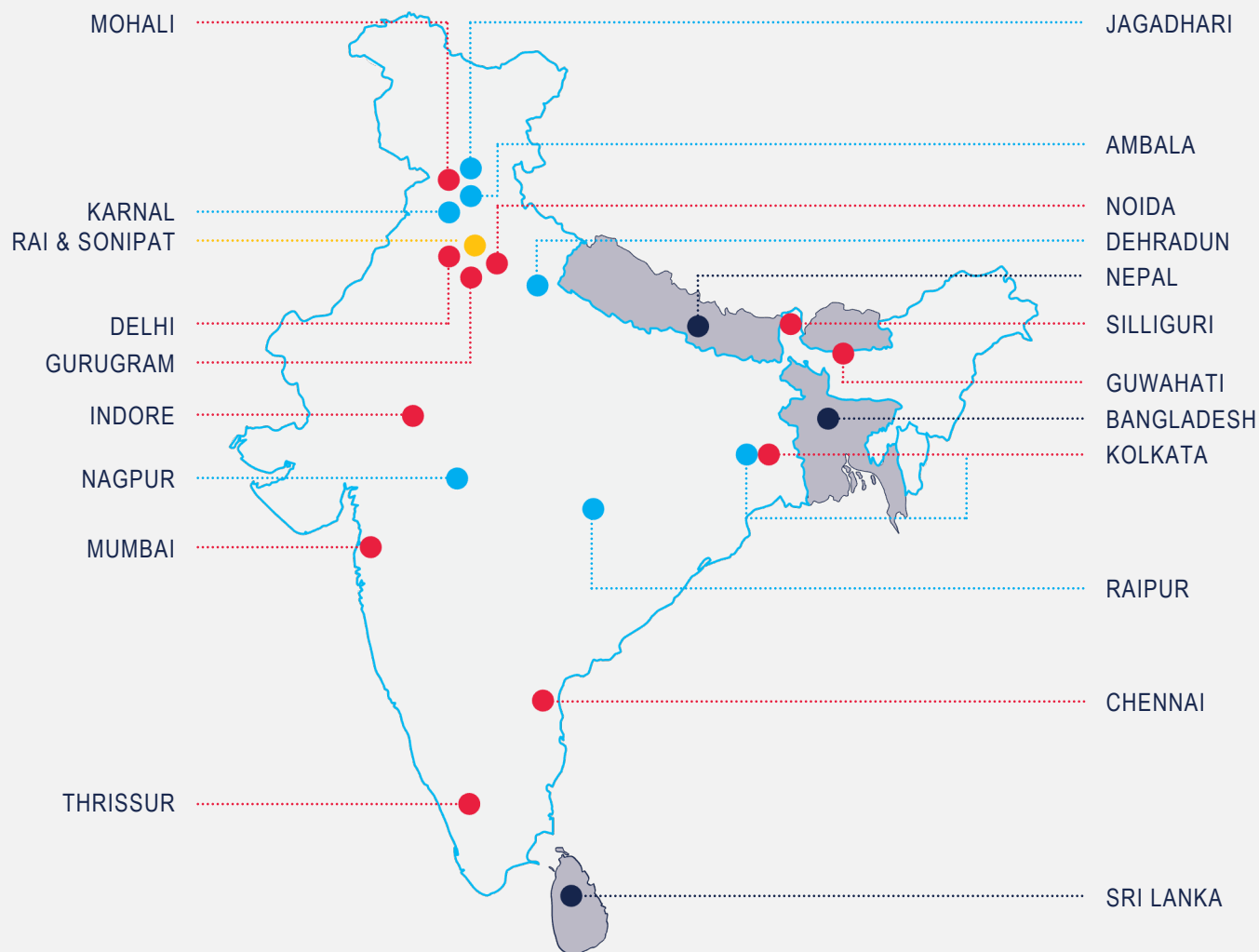
DuranteVivan

- Adhesives Product Portfolio



* Includes India, Bangladesh, Nepal and Sri Lanka

SIRCA'S FOOTPRINT



1,746
Dealers & Distributors



13
Branches & Depots



26
Sirca Studios



02
Manufacturing Facilities

Key



BRANCHES



MANUFACTURING FACILITIES

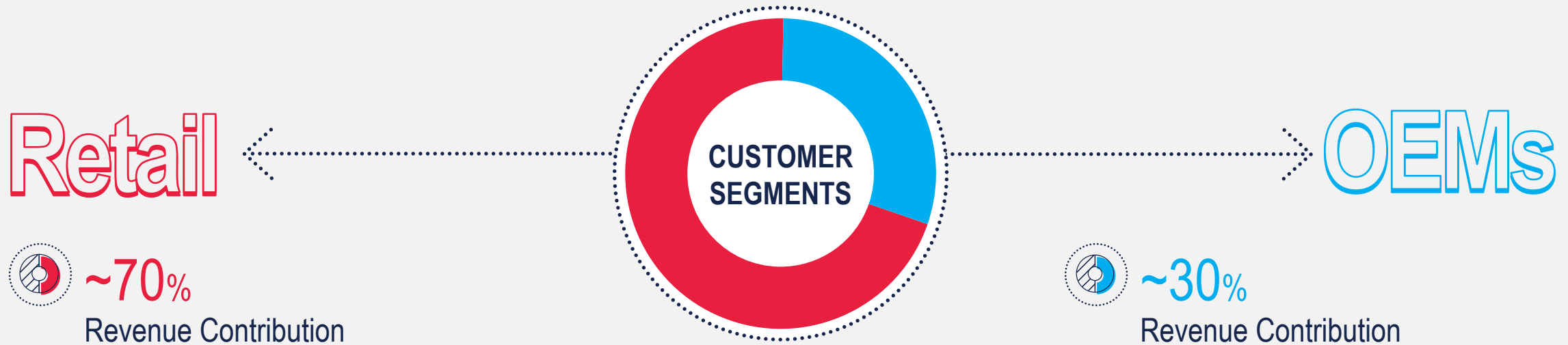


SIRCA STUDIOS



EXPORT MARKETS

CUSTOMER SEGMENTS



 **1,746**
Aggressively growing Distribution
Network with 1,746* nodes

Growth Strategy

- Chain of studios being opened across India, currently 26 studios & 13 branches are operational.
- Creating a wider and self-sufficient product portfolio to expand & strengthen distribution network.

* Excluding OEM's

APPROACH

- Dealing in Premium products.
- Providing strong technical support and after sales services to OEM's.

Clientele (of 659 OEM's)

- **Key Clientele includes:** Godrej, Jindal Stainless, Indoline, Space Wood, Pyramid, MAS Furniture, Alsorg, Soundarya Decorators, etc.

MANUFACTURING FACILITIES



COMMISSIONED

In Nov'2019, Sirca commissioned a manufacturing facility for Nitrocellulose, Melamine, Economical PU products, and PU thinner at Sonipat (NCR).



~33.20 CRORES

This unit has been established with a total CAPEX of ~33.20 Crores, as a primary 'Object of Issue' from our initial public offer in 2018.



COMISSIONED WALL PAINT & WALL PUTTY MANUFACTURING

In Q1FY21 the company shifted it's wall paint manufacturing unit to a new, bigger premises in response to higher than originally anticipated demand.



~225 CRORES

MAXIMUM CAPACITY

At peak capacity utilization this manufacturing facility has a capacity to generate ~225 Crores in revenue with an optimal product-mix.



PRODUCTION CAPACITY

This Company has a production capacity of:



8,000 Tonnes

For NC, Melamine and Economical PU products



4,000 Tonnes

For PU Thinner and above-mentioned products



48 Lakh Liters

Wall Paints

MARKETING AND PROMOTIONAL ACTIVITIES



INCREASE EXPENDITURE ON ADVERTISEMENTS

To achieve a greater brand-recall for 'Sirca', the company is increasing its expenditure on advertisements, marketing, and sales promotion efforts.



IMPLEMENTED 360° MARKETING CAMPAIGN

The company has implemented a 360° marketing campaign in its target markets, especially in the newly tapped regions.



TV COMMERCIALS IN REGIONAL LANGUAGES

TV commercials have been launched in Hindi and other regional languages, along with advertisements in movie theaters. **Recently also launched Radio City campaign in NCR.**



INCREASED DEALER NETWORK

To strengthen Sirca's outdoor presence, the company is installing shop boards at its dealer network. At present, a total of **~1,270 shop boards** have been installed.

Radio commercials & tv commercials in regional languages

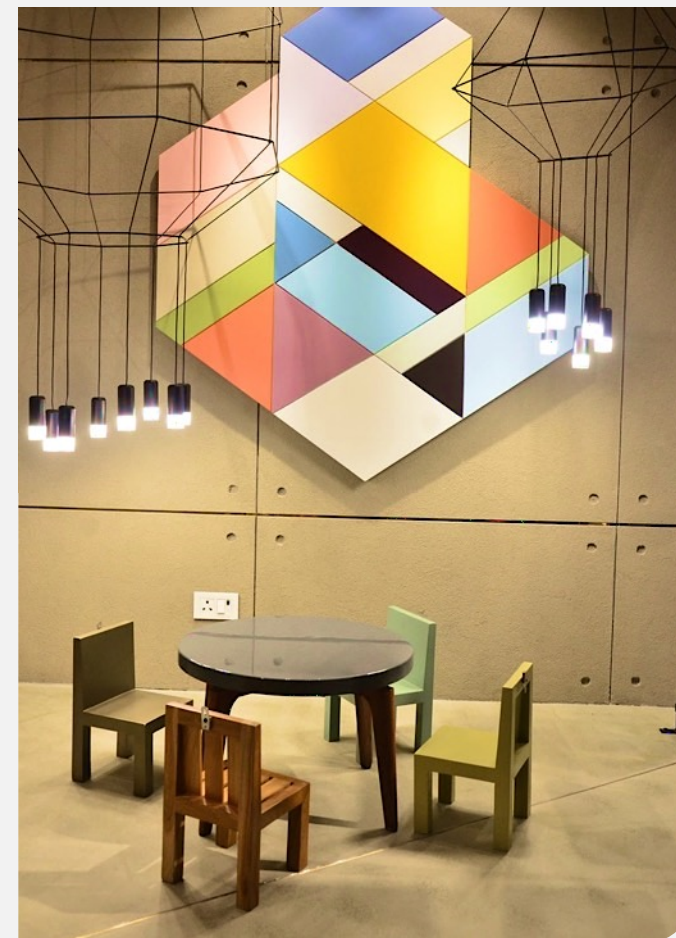
Increase expenditure on Advertisements

Implemented 360° Marketing Campaign

Shop Boards & Hoardings at Dealer Network

MARKETING AND PROMOTIONAL ACTIVITIES

Sirca studios for a class-apart consumer experience



MARKETING AND PROMOTIONAL ACTIVITIES

~1,270 shop board installed for enhanced visibility. Refreshed brand positioning as “Your Italian Autograph”.



CONTRACTOR LOYALTY PROGRAM

Sirca Parivaar 2.0 – App Update



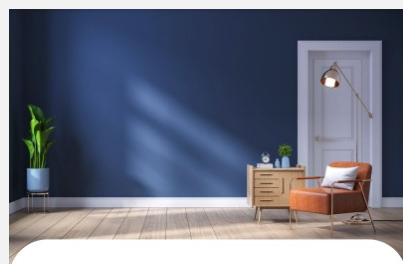
11,000+
Contractors
Registered



5,000+
Average Daily
Product Scans



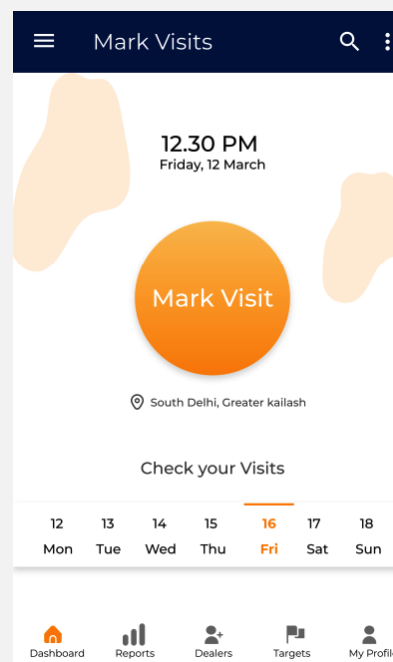
5,000+
Application
Downloads



Welcome to Sirca Paints

Manage your Sirca account on the go. For Log in you have two options password or OTP. Choose one to log into your account.

Continue



Enhanced Version of Sirca Parivaar App

The main objective of this app is to automate the process of loyalty program and streamline the process of rewards and redemption.

Key Features

- Specifically designed for architects, contractors, and dealers using Sirca products
- Bringing all industry stakeholders together on the application
- Automate Sirca loyalty program
- Maintain, view reward points easily on a real-time basis
- Users can check account balance on a real-time basis
- Users can redeem points at any given point
- Users can access account statement & reports in the application

INDIA PAINT INDUSTRY



55,000

CRORE MARKET

The Indian Paints industry is estimated to be a **55,000 Crore market annually**

PAINT INDUSTRY
IS BROADLY
DIVIDED INTO

Decorative Paints
& Coatings

Industrial Paints &
Coatings

2/3rd

SHARE IN INDIA WITH
ORGANIZED INCUMBENTS

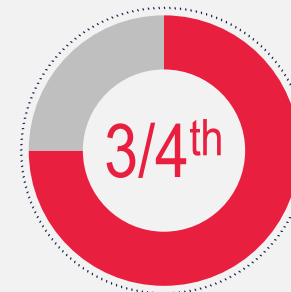
In between the organized and unorganized incumbents, the **former holds the majority of 2/3rd share** in the India paint industry, while the rest lies with unorganized incumbents.



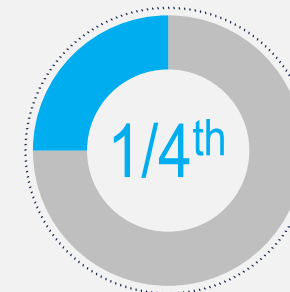
~12% CAGR

DECORATIVE SEGMENT
GROWTH IN BETWEEN FY09-19

The decorative segment is the relatively faster-growing segment of the paints industry. It had maintained a growth CAGR of ~12% between FY09- 19, this was led by strong demand from **the rural and tier-II, tier-III cities** and reduced repainting cycle from the consumers.



Decorative Paints constitute almost **3/4th** of the market share while the rest **1/4th** lies with Industrial Paints.



PAINT INDUSTRY IS
EXPECTED TO GROW AS:

- An increase in disposable income.
- Rising urbanization & rural economy.
- Increasing trend of nuclear families.
- Reduction in average repainting cycle on account of improvement in disposable income and improving lifestyles.

WOOD COATINGS & FINISHES SEGMENTS



Overview

- Wood coatings are used for their adhesion, anti-corrosion, durability, appearance enhancing & aesthetics features on wooden furniture.
- In the last decade, India has shaped up to be one of the largest markets for wood coatings products in the Asia-Pacific region.
- Indian furniture industry, which happens to be a key demand driver of wood coatings products, is estimated to be a USD 5 billion market in 2018-19, with nearly USD 1.5 billion in exports and USD 0.6 billion in imports, respectively.



Market Trends

- The wood coatings product category is facing a shift in consumer preferences from toxic and environmentally harmful products to eco-friendly and non-toxic products.
- There is a shift underway from harmful products like Nitrocellulose (NC) and Melamine coating products to high-quality Polyurethane (PU) coatings on account of multiple factors such as:
 - Increasing health-consciousness and awareness about the harm-full effects of these degrading wood coatings,
 - Growing awareness about environment-friendly products,
 - Greater artistic and aesthetic value,
 - Other factors include - lower emission of odour, increased durability and resistance which make these products more preferable.
- The increasing value of aesthetics and expenditure towards the furnishing segment is supporting this transition. In the long-run, an increase in disposable income and a shift towards higher-end wood coating products in the value chain will be the leading growth driver for the wood coatings market.



BOARD OF DIRECTORS

**Mr. Sanjay Agarwal**CHAIRMAN AND MANAGING
DIRECTOR

Mr. Agarwal is one of the co-founders of Sirca Paints India Limited, he has been working the Paints & Coatings industry for more than two decades. Under his able leadership, Sirca has risen the ranks as one of the most prominent brands of luxury wood coatings in the country. A Chartered Accountant by qualification, Mr. Agarwal currently looks after the finance and strategy functions of the organization.

**Mr. Apoorv Agarwal**JOINT MANAGING
DIRECTOR

Mr. Agarwal has holds a bachelor's degree from Delhi University and a masters degree in Finance & Marketing from IIPM. He has a decade of experience & training in the Italian furnishing and Italian wood coatings space. He has worked with prominent Italian furnishing brands like B&B Italia, Reflex, Laura Meroni, Simon Cenedese, and many others. At Sirca Paints India, he looks after the Sales and Marketing functions. He has also been bestowed with the responsibilities of establishing Sirca's presence through its distribution network across the country.

**Mr. Gurjit Singh Bains**NON-EXECUTIVE
DIRECTOR

Mr. Gurjit Singh Bains is one of the co-founders of Sirca Paints India, he has more than two decades of experience in wood coatings and the Italian furniture industry. He was among the early introducers & promoter of branded Italian furniture in India.

**Mr. Ugo Pelosin**NON-EXECUTIVE
DIRECTOR

Mr. Pelosin has more than two decades of experience in exporting wood coatings globally. Apart from being the Non-Executive Director of Sirca Paints India, he is also the Export Director of Sirca S.p.A (Italy). He was appointed as the Non-Executive Director of the company in 2018, nominated by Sirca S.p.A (Italy) as per the Shareholder Agreement entered between the companies.

BOARD OF DIRECTORS

 **Mr. Shyam Lal Goyal**NON-EXECUTIVE &
INDEPENDENT DIRECTOR

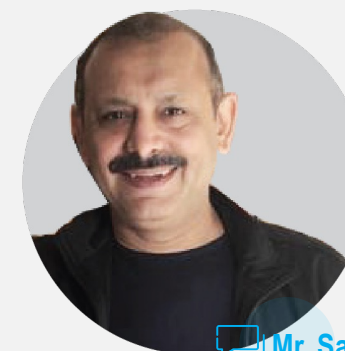
Mr. Goyal was the Audit and Finance Advisor at Ghazanfar Bank. He leads each firm's lines of business - Banking Sector and FMCG industries in an expeditious manner. He holds experience of over 30 years and has held various senior positions in India and abroad. His experience in global financial operations, Corporate Governance, Enterprise-wide systems, and Financing is a proven asset.

 **Mr. Anil Kumar Mehrotra**NON-EXECUTIVE &
INDEPENDENT DIRECTOR

Mr. Mehrotra is an experienced professional who has worked as a CFO in the Automotive and FMCG industry for over 30 years in 4 different countries. His area of expertise includes - business strategy and financial planning, international operations, acquisitions, corporate governance controllership and taxation, business unit restructuring & integration systems.

 **Mrs. Anu Chauhan**NON-EXECUTIVE &
INDEPENDENT DIRECTOR

Mrs. Chauhan has a vast experience of over a decade in management and team leadership skills. She has a proven track record of running successful operations and nurturing & growing businesses. Her core area of expertise includes - business management, directing and planning, supervising multi-disciplinary teams, processes, documentation, business Control checks, audits, and vendor management.

 **Mr. Sanjay Kapoor**NON-EXECUTIVE &
INDEPENDENT DIRECTOR

Mr. Kapoor is a doctor by profession, he has an MBBS and DCH (Diploma of Child Health) with over 20 years of experience in the pediatrics department. He was appointed on the Board of the company in 2017.

5Y Financial Summary



5Y PROFIT & LOSS SUMMARY

(₹ in crores)

PARTICULARS	FY22	FY21	FY20	FY19	FY18
Revenue from Operations	200.02	143.18	135.05	125.34	89.22
Total Income	204.43	157.32	140.66	131.46	93.57
Total Operating Expenses	162.27	121.37	103.26	93.81	63.26
EBITDA (Excluding OI)	37.76	21.81	31.78	31.53	25.96
EBITDA (Excluding OI) %	18.9%	15.2%	23.5%	25.2%	29.1%
Interest Cost	0.08	0.10	0.08	0.11	0.18
Depreciation & Ammortisation	4.13	3.65	2.39	0.93	0.59
Profit Before Taxes	37.95	22.58	34.18	31.97	29.54
Profit After Taxes	27.73	16.61	25.15	22.23	19.38

Note:

- Figures up till FY18 and not as per Ind AS
- FY20 EBITDA (Excluding OI) & Total Operating Expenses adjusted for one-time impairment loss of 0.76 crores
- FY21 EBITDA (Excluding OI) & Total Operating Expenses adjusted for net-loss of fire incident

5Y BALANCE SHEET SUMMARY

(₹ in crores)

PARTICULARS	FY22	FY21	FY20	FY19	FY18
Shareholders Fund	225.15	201.60	184.65	167.84	67.63
Non Current Liabilities	0.05	0.28	0.18	0.48	0.33
Current Liabilities	37.16	52.88	24.98	22.45	26.57
- Trade Payables	31.40	34.84	20.29	17.02	6.93
Total	262.37	254.75	209.82	190.79	94.56
Non Current Assets	57.47	45.89	52.83	36.74	22.43
Current Assets	204.90	208.86	154.13	154.04	72.11
- Inventories	69.69	64.95	51.44	26.77	14.85
- Trade Receivables	45.63	43.05	45.59	39.7	33.53
Total	262.37	254.75	209.82	190.79	94.56

Note:

1. Figures up till FY18 and not as per Ind AS

5Y CASH FLOW SUMMARY

(₹ in crores)

PARTICULARS	FY22	FY21	FY20	FY19	FY18
Cash from Operating Activities	35.16	19.24	-7.56	12.34	-18.28
Cash from Investing Activities	-11.06	14.74	4.81	-71.28	-12.87
Cash from Financing Activities	-17.38	-0.10	-8.45	68.36	15.5
Net Cash Flow	6.73	33.87	-11.21	9.42	1.31
Net Cash at Beginning of Year	38.46	4.59	15.79	6.37	13.33
Net Cash at End of Year	45.18	38.46	4.58	15.79	14.65

Note:

1. Figures up till FY18 and not as per Ind AS

Q3FY23 Result Discussion



PROFIT & LOSS SUMMARY

Standalone

(₹ in crores)

PARTICULARS	Q3FY23	Q2FY23	Q3FY22	YoY %	QoQ %
Revenue from Operations	65.22	72.92	53.20	22.6%	-10.6%
Total Income	66.18	74.45	54.56	21.3%	-11.1%
Total Operating Expenses	51.15	53.75	41.15	24.3%	-4.8%
EBIDTA (Excluding OI)	14.07	19.17	12.05	16.7%	-26.6%
EBIDTA (Excluding OI) %	21.6%	26.3%	22.7%	-108 BPS	-472 BPS
Interest Cost	0.01	0.01	0.02	-36.8%	50.5%
Depreciation & Ammortisation	0.87	1.15	1.19	-27.1%	-24.3%
Profit Before Taxes	14.16	19.55	12.20	16.1%	-27.6%
Profit After Taxes	10.53	14.42	9.16	14.9%	-26.9%
Earnings Per Share (₹)	3.84	5.26	3.34	15.0%	-27.0%

↑ 22.6%

Q3FY23 Revenue from Operations at 65.22 Crores compared to 53.20 Crores in Q3FY22

↑ 16.7%

Q3FY23 EBITDA at 14.07 Crores compared to 12.05 Crores in Q3FY22

↑ 14.9%

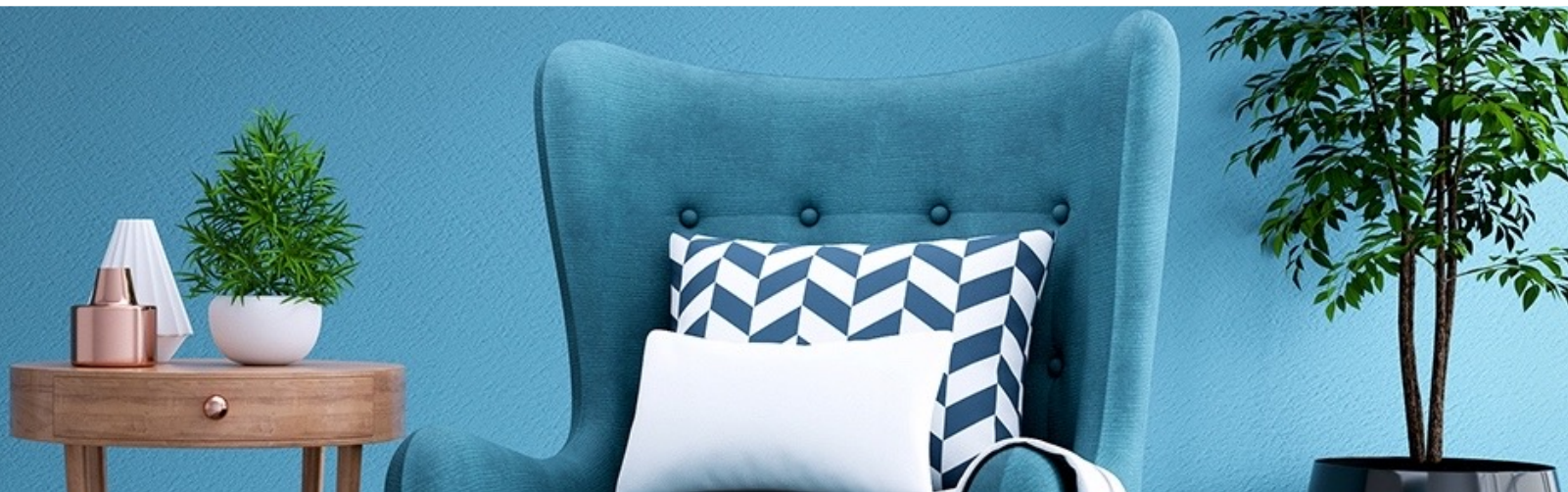
Q3FY23 PAT at 10.53 Crores compared to 9.16 Crores in Q3FY22



[Link to Financial Results](#)

Note: Interest Cost figures have been rounded-off to 2 decimals. Interest Cost for Q3FY23 is 1.46 Lakhs, Q2FY23 is 0.97 Lakhs and Q3FY22 is 2.31 Lakhs.

MANAGEMENT COMMENTARY



Q3FY23 Result Discussion

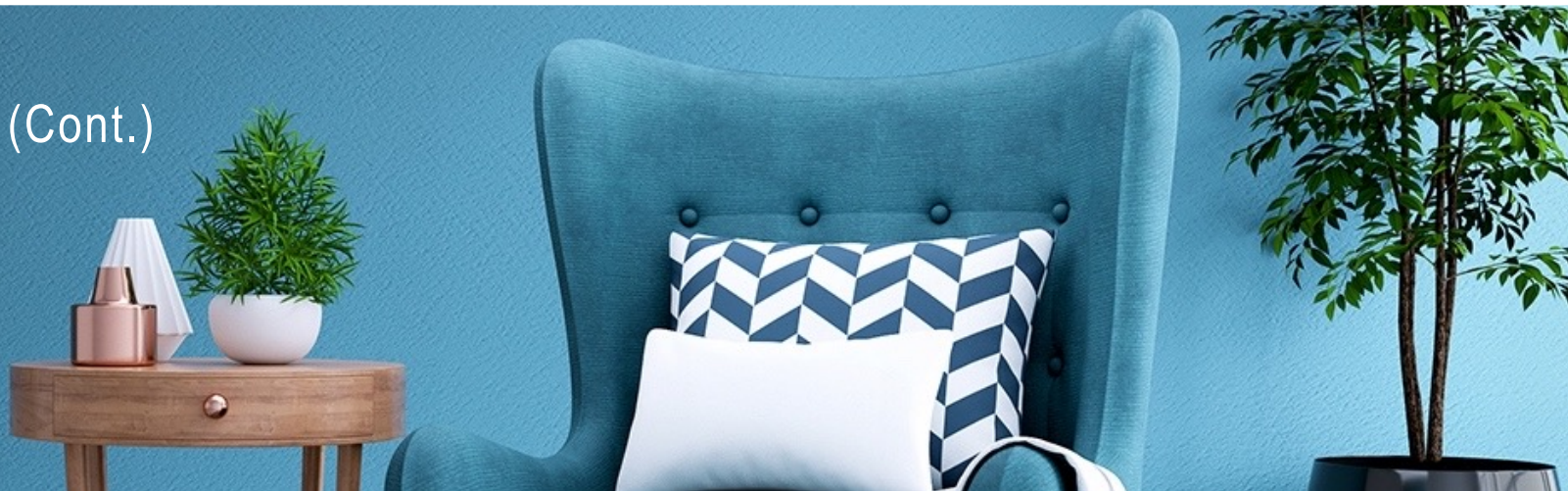
Sirca Paints reports healthy financial performance in Q3FY23, despite Q3 being a seasonally tepid quarter for the Company. Revenue from Operations for the quarter stood at 65.22 Crores, up 22.6% YoY and reporting a decrease of 10.6% QoQ. The key reason for the sequential decrease in topline is the annual, temporary ban on spray painting in the NCR region due to pollution related guidelines. Overlooking the effects of the temporary ban in the end of November & December, the Company has a robust demand outlook for the coming months.

On the profitability front, the Company reported slightly better GPM, but lower EBITDA margins due to the following reasons:

- A FOREX loss of 1.45 Crores in Q3, compared to a gain of 0.72 Crores in the previous quarter.
- Higher Sales Promotion & Advertisement expenses on account of the annual national dealer meet organized in NCR, and higher Trade Exhibition expenses.
- Employee Benefit Expenses were slightly higher on account of payout of annual bonuses to the team.

As a result, the EBITDA margin stood at 21.6% in Q3FY23 compared to 26.3% in Q2FY23 and 22.7% in Q3FY22.

MANAGEMENT COMMENTARY (Cont.)



Business Update

Product Portfolio Performance

- The Company has witnessed good performance across all product segments.
- Italian portfolio performance continue to be the core driver for the Company.
- Unico's scale of operations is improving and contribution to overall sales increasing.
- The Company has recently launched a new waterbased coatings range – D'Aqua PU. This is a key launch in the luxury PU product kitty, in keeping with the global trend of transition from solvent based coatings towards waterbased coatings.

Adding Resins Manufacturing at Sonipat Facility

In efforts to establish more control and achieve consistency in quality, the Company started resins manufacturing at its Sonipat facility. Resins are being manufactured for the NC and Melamine.

Other Updates

- The Company is also undertaking additional investments in the current Sonipat facility to increase capacity to the tune of 20%.
- During the quarter the Company also listed its shares on BSE, as opposed to being listed only on NSE earlier.

RECENT PRODUCT LAUNCH: D'AQUA PU

D'AQUA PU is safer to use in children's furniture since it contains almost no chemicals and emits no odour. Because of its waterbased properties, it is ideal to use for children's furniture. For your loved ones, autograph a greener tomorrow.



D'Aqua PU: Luxury Waterbased Coatings

Key Features

- Completely waterbased coatings
- Solvent-free coatings
- Low odour & VOC
- Fast drying
- Usable in kids friendly furniture
- Developed as per GREENGAURD standard



RECENT BRANDING & PROMOTIONAL ACTIVITIES



GET IN TOUCH



Suraj Singh

COMPANY SECRETARY AND COMPLIANCE
OFFICER

Sirca Paints India Limited
cs@sircapaints.com



Sayam Pokharna

TIL Advisors Private Limited
sayam@theinvestmentlab.in
+91 94266 60791

DISCLAIMER

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Sirca Paints India Limited ("Company" or "Sirca"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers Of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments. This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. This presentation may not be copied or disseminated, in whole or in part, and in any manner.