

# 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

☎ 011-42083083 / 47533213

✉ info@sircapaints.com 🌐 www.sircapaints.com

CIN NO : L24219DL2006PLC145092



November, 21<sup>st</sup>, 2019

**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 **Q2 & H1FY20 of the Company**.

This is for your information and record.

Thanking You,

Your Faithfully,

**SIRCA PAINTS INDIA LIMITED**

**(Formerly known as Sircolor Woods Coating Pvt. Ltd.)**

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

Company Secretary

**Chahat Mahajan**  
**Company Secretary & Compliance Officer**  
**Membership Number: 51255**

**Place: Delhi**

Encl: As above



# SIRCA PAINTS INDIA LIMITED

Q2 & H1 FY20  
Earning Presentation

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



# Q2FY20 Result Discussion

# Profit & Loss Summary

Q2FY20 Result

(In Crores)

Particulars	Q2FY20	Q1FY20	Q2FY19	Y-O-Y%
Revenue from Operations	37.58	31.92	33.54	12.1%
Total Income	40.05	33.59	34.68	15.5%
Total Operating Expenses	26.49	24.24	23.97	10.5%
EBITDA (Excluding OI and EI*)	11.09	7.67	9.57	15.9%
EBITDA (Excluding OI and EI*) %	29.5%	24.1%	28.5%	+100BPS
Interest Cost	0.01	0.02	0.00	450.0%
Depreciation & Ammortisation	0.33	0.33	0.20	59.6%
Profit Before Taxes	13.21	8.98	10.41	26.8%
Profit After Taxes	9.76	6.44	8.70	12.2%
EPS	3.56	2.35	3.18	11.9%

**12.1%** ▲

Q2FY20 Revenue from Operations at 37.58 Crores as compared to 33.54 Crores in Q2FY19

**15.9%** ▲

Q2FY20 EBITDA at 11.09 Crores as compared to 9.57 Crores in Q2FY19

**100 BPS** ▲

Q2FY20 EBITDA margins at 29.5%, up 100 BPS as compared to 28.5% in Q2FY19

**12.2%** ▲

Q2FY20 PAT at 9.76 Crores as compared to 8.70 Crores in Q2FY19

\*OI- Other Income, EI - Exceptional Item

# Balance Sheet Summary

Q2FY20 Result

(In Crores)

Particulars	Q2FY20	Q4FY19	Q2FY19*	Y-o-Y%
Shareholders Fund	180.64	167.72	153.88	17.4%
Non Current Liabilities	0.08	0.49	0.45	-82.3%
Current Liabilities	31.27	22.45	27.78	12.6%
Total	212.00	190.67	182.13	16.4%
Non Current Assets	48.86	36.62	32.03	52.5%
Current Assets	163.14	154.04	150.09	8.7%
Total	212.00	190.67	182.13	16.4%

\*Q2FY19 Balance Sheet figures not as per IND AS

# Cash Flow Summary

Q2FY20 Result

(In Crores)

Particulars	Q2FY20	Q4FY19	Q2FY19	Y-o-Y%
Operating profit/(loss) before working capital changes	17.30	21.57	7.83	121.0%
Net cash (used in)/generated from operating activities	7.36	-13.03	1.07	586.1%
Net cash (used in)/generated from investing activities	-12.64	-14.80	-8.87	42.4%
Net cash (used in)/generated from financing activities	-3.28	73.14	73.27	-104.5%
Net Increase/ (Decrease) in cash and cash equivalents	-8.55	66.88	65.47	-113.1%
Cash and cash equivalents at the beginning of the year	81.53	14.65	14.65	456.5%
Cash and cash equivalents at the end of the year	72.98	81.53	80.12	-8.9%



# H1FY20 Result Discussion

# Profit & Loss Summary

H1FY20 Result

(In Crores)

Particulars	H1FY20	H2FY19*	H1FY19	Y-O-Y%
Revenue from Operations	69.51	63.94	57.94	20.0%
Total Income	73.64	68.83	59.18	24.4%
Total Operating Expenses	50.74	48.48	46.38	9.4%
EBITDA (Excluding OI and EI*)	18.77	15.46	11.55	62.4%
EBITDA (Excluding OI and EI*) %	27.00%	24.2%	19.9%	700 BPS
Interest Cost	0.04	0.07	0.03	15.8%
Depreciation & Ammortisation	0.66	0.53	0.4	65.0%
Profit Before Taxes	22.19	19.75	12.35	79.7%
Profit After Taxes	16.20	13.61	8.75	85.1%

**20.0%** ▲

H1FY20 Revenue from Operations at 69.51 Crores as compared to 57.94 Crores in H1FY19

**62.4%** ▲

H1FY20 EBITDA at 18.77 Crores as compared to 11.55 Crores in H1FY19

**710 BPS** ▲

H1FY20 EBITDA margins at 27%, up 700 BPS as compared to 19.9% in H1FY19

**85.1%** ▲

H1FY20 PAT at 16.20 Crores as compared to 8.75 Crores in H1FY19

\*OI- Other Income, EI - Exceptional Item

\*H2FY19 Numbers not as per IND AS



# Management Commentary

## Business Update

### a) Strengthened Physical Infrastructure

Major thrust on creating the physical infrastructure to support growth across India. Stock depots, stockists, studios and branch offices being created across the country. **Additional stock depot set up in Mohali, Punjab.**

### b) New Branch Offices

Launched a **new branch office in Q2FY20 in Mohali** to cater to the demand of the Punjab region. Earlier in Q1FY20, the company had also set up branch office in Chandigarh (Punjab).

### c) Sales Team Expansion

The company has been rapidly expanding its sales team, **52 additional team members** were hired in H1FY20.

### d) OEM Clientele

On-boarded a new OEM customer based out of Udaipur, Rajasthan in H1FY20.

### e) Sirca Studios

The company has been constantly focusing on increasing its brand awareness through Sirca Studios, which are retail studios displaying the applications and merits of our products. The company has **launched 3 additional studios** in H1FY20 at Jaipur, Ganganagar, and Noida.

### f) Wall Paint Segment

During H1FY20 the company successfully commissioned its wall paint manufacturing unit with an annual capacity 24 Lac Liter.

## Corporate Update

### a) Migration to MainBoard

The company has successfully migrated from NSE emerge (SME Platform) to NSE Mainboard.

### b) Appointment of New CFO

During H1FY20, a new CFO Ms. Shallu Arora was appointed. Mr. Bharat Bhushan (Ex CFO) has been relocated within the same organisation to handle other segment.

### c) Addition of Independent Directors

- Mr. Anil Kumar Mehrotra has more than 30 years of experience in the field of finance and has served as Head of Finance - Gear Business Unit, Eicher Tractors Motors and Gears, Senior Project Manager - Nestle China Ltd, CFO - Nestle India Pvt Ltd, Director - General Motors India.
- Ms Anu Chauhan has an experience of 11 years in management and team leadership skills. She has previously served as Assistant Facilities Manager - Deutsche Bank Group and Admin Executive at Mercurio Pallia Logistics Ltd.

## Q2FY20 Result Discussion

- The company has performed well in Q2FY20 in relation to the current state of the economy. With decent volume growth, the revenue from operations for Q2FY20 was up 12.1% as compared to Q2FY19.
- There has been a build-up in the inventory since the company had to pre-order inventory for the newly commissioned manufacturing unit. Since Sirca S.p.A (Italy) was closed for the entire month of August 2019 due to the holiday season, the company had ordered inventory for the period up till November, in July itself.
- The company has been constantly focusing on managing its working capital better, as a result, the trade receivable days have improved.
- The netblock has increased on account of the completion of the wood coatings manufacturing unit. This manufacturing unit was commissioned in November 2019 with a total CAPEX of ~33.20 Crores.
- 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.
- Volume growth of 22.74% in Q2FY20 as compared to Q2FY19 and a growth of 27.34% in H1FY20 as compared to H1FY19

# Promotional Activity



IADC Event in Jaipur



The company has increased its promotional activities, on both regional and national media. The company now sponsors the weather news on a prominent national news channel- AajTak, along with advertisements on regional channels for the southern Indian region.

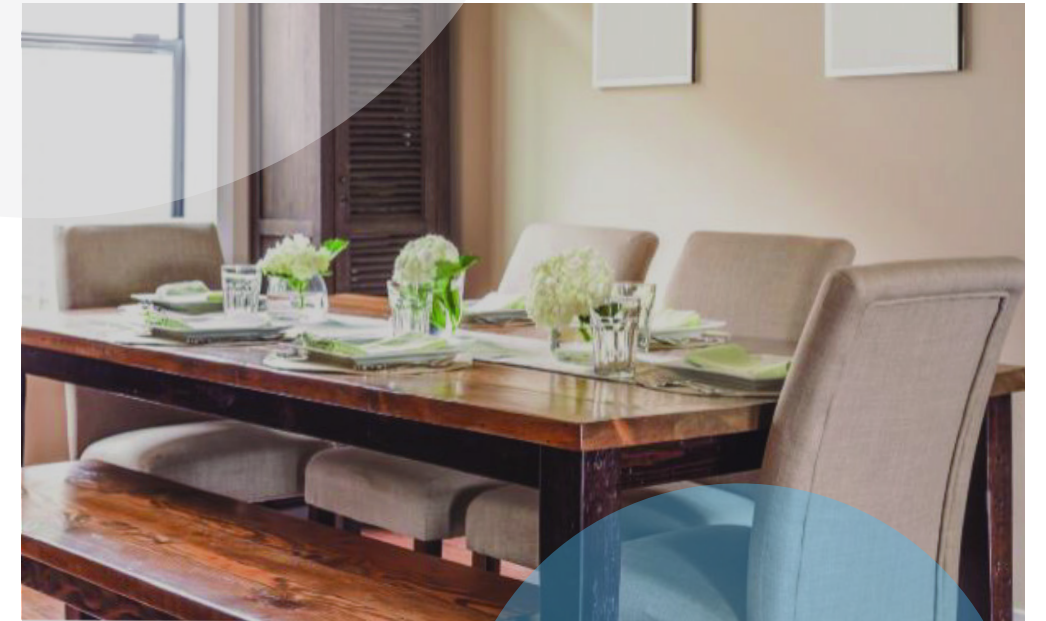
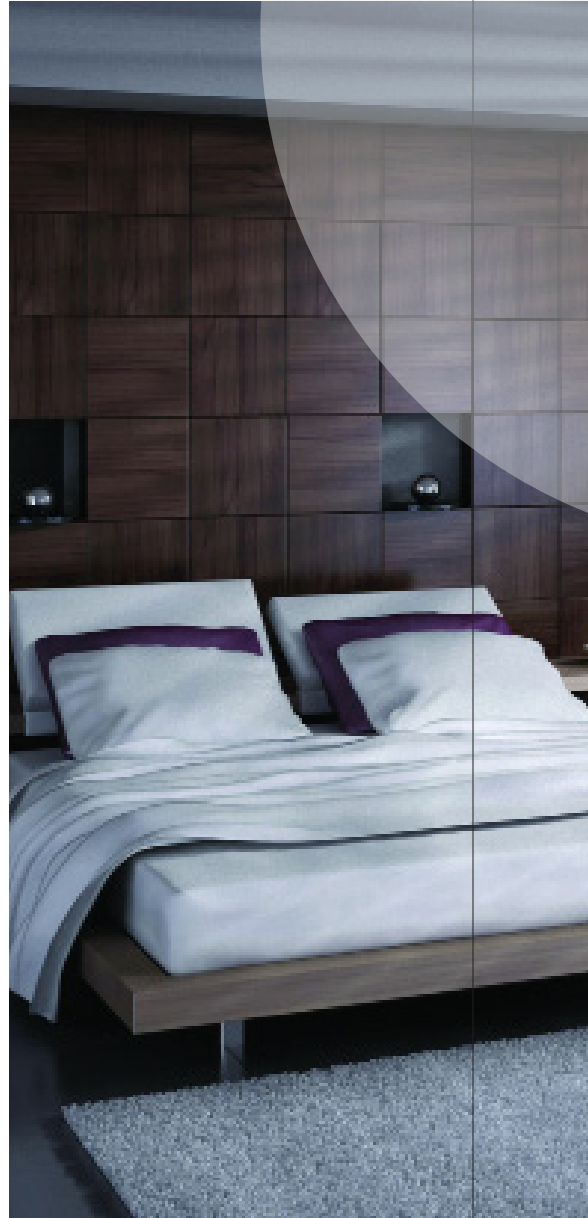




# Company Overview

# 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 will also start dealing in Melamine, NC and economical PUs which make up majority of the volumes in India.





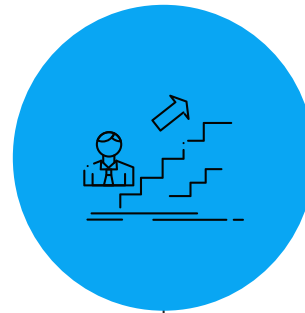
# Company Snapshot



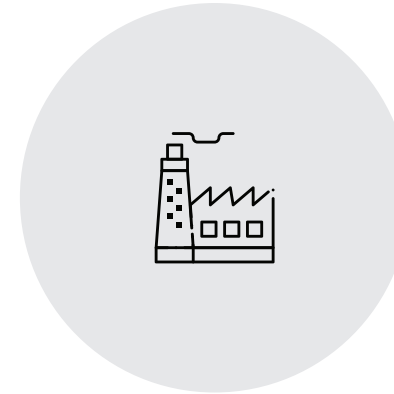
Among the leading premium wood coatings player in India



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



Market leader in North India



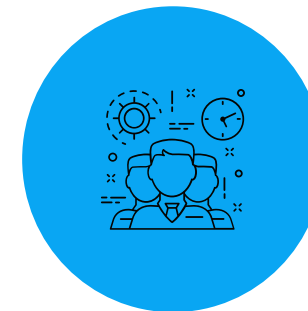
2 Manufacturing Facilities



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



Number of dealers – 555+



Team Size – 250+



Virtually Debt-Free

# Product Portfolio

Entire range of product portfolio available to our channel partners

## 1. Wood Coatings

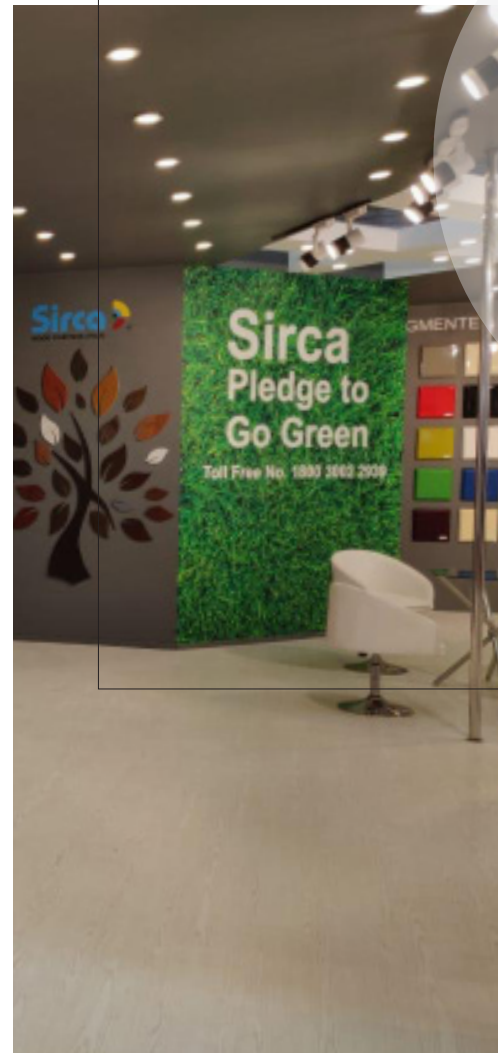
- Wood Stains
- Polyurethane Polish (PU)
- Polyester (Lamination)
- Acrylic Finishes
- UV Products
- Wood fillers
- Wood Care Products
- Hand Made Effects
- Special Effects

## 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 **555+ dealers**.
- **Growth strategy:**
  1. Chain of studios being opened across India, currently **13 studios** are operational.
  2. Providing a **wider and self-sufficient product portfolio** to strengthen distribution network.

# Financial Summary

## Profit & Loss Statement

(In Crores)

Particulars	2015	2016	2017	2018	2019
Revenue from Operations	65.25	70.54	82.51	89.22	125.34
Total Income	69.76	72.66	84.34	93.57	131.46
Total Operating Expenses	59.66	60.91	62.30	63.26	93.81
EBITDA (Excluding OI)	5.59	9.63	20.21	25.96	31.53
EBITDA (Excluding OI) %	8.6%	13.7%	24.5%	29.1%	25.2%
Interest Cost	0.19	0.10	0.10	0.18	0.11
Depreciation & Ammortisation	0.45	0.51	0.39	0.59	0.93
Profit Before Taxes	9.46	11.13	21.55	29.54	31.97
Profit After Taxes	6.17	7.27	13.70	19.38	22.23

\* Figures up till FY19 are not as per IND AS



# Financial Summary

## Balance Sheet

(In Crores)

Particulars	2015	2016	2017	2018	2019
Shareholders Fund	13.14	20.42	34.12	67.63	167.78
Non Current Liabilities	0.43	0.23	0.02	0.33	0.63
Current Liabilities	19.82	24.41	27.14	26.57	32.29
Total	33.41	45.07	61.31	94.56	200.72
Non Current Assets	4.29	4.94	9.94	22.43	37.58
Current Assets	29.11	40.13	51.33	72.11	163.13
Total	33.41	45.07	61.31	94.56	200.72

\* Figures up till FY19 are not as per IND AS

# Contact Us

## Mr. Chahat Mahajan

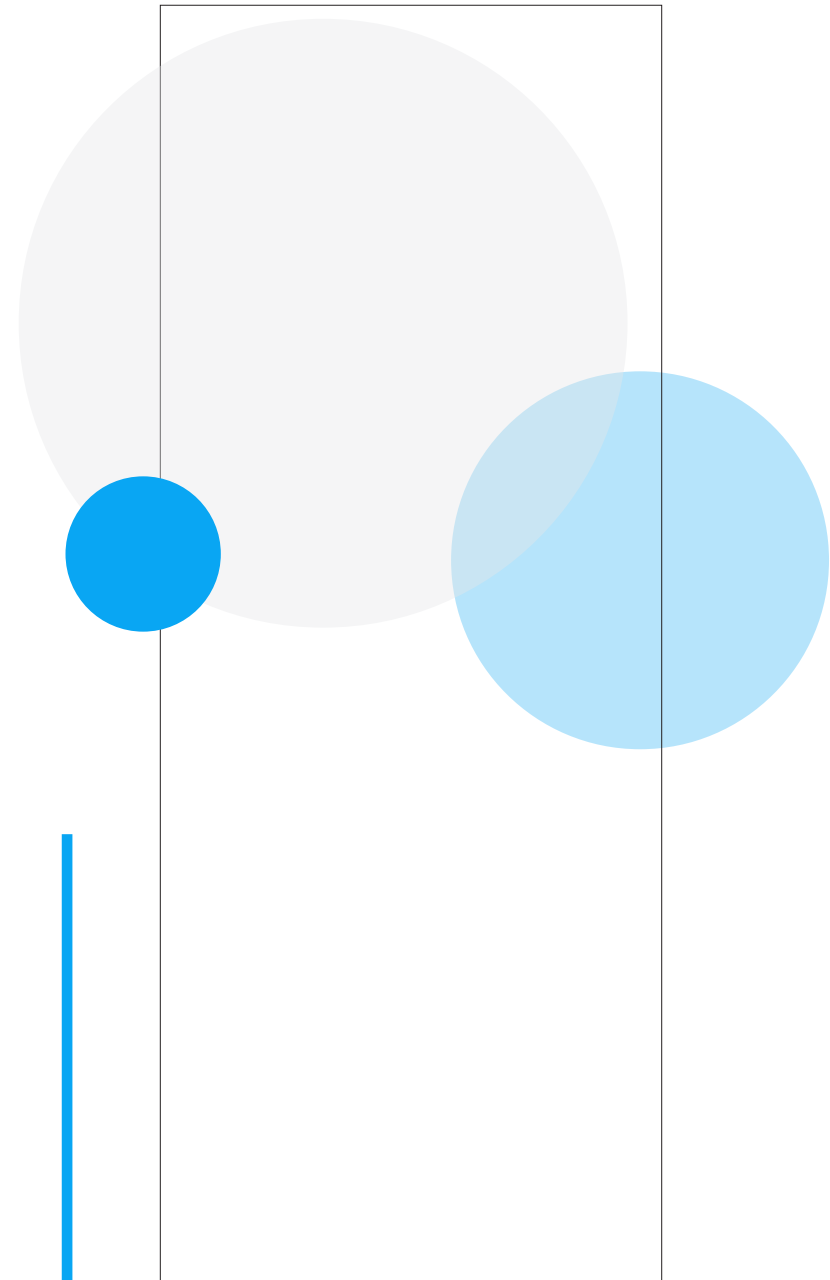
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Company Secretary and Compliance Office  
Sirca Paints India Limited  
cs@sircapaints.com

## Mr. Sayam Pokharna

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Integrated Reporting Advisor  
The Investment Lab  
sayam@theinvestmentlab.in



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