



November 15, 2022

BSE Limited  
Corporate Relationship Department,  
1st Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort, Mumbai - 400 001  
BSE Scrip Code: 509874

National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G- Block  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400051  
NSE Symbol : SHALPAINTS

**Sub: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Investors presentation**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation on the financial results of the Company for the quarter and half year ended September 30, 2022. The same is also being uploaded on the website of the Company [www.shalimarpaints.com](http://www.shalimarpaints.com).

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,

For **Shalimar Paints Limited**

**Shikha Rastogi**  
**Company Secretary**

Encl.: as above



**Shalimar Paints Ltd.**

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**SHALIMAR  
PAINTS**

## **Shalimar Paints Limited**

**Investor Presentation  
November 2022**



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## 1902

Two Britishers A.N. Turner and A.N. Wright - set up Colour & Varnish Company in Howrah, West Bengal. It is the first paint manufacturing plant in the South East Asia

## Vision

To persevere and excel as one of the premier paint companies of the country, a leader in product innovation and customer satisfaction. We intend to build long term value relationships with all our shareholders, customers, employees and suppliers.

## Mission

To maximise shareholder value by engaging and growing our employees, delivering innovative and superior quality product to every customer segment, building strong human engagement with our dealers & vendors

## 100-Year-Young Brand: Renowned for High product quality

### India's iconic structures continue to use Shalimar Paints



**100+ years of establishment**

India's Oldest Brand



**69,000+ KL**

Production Per annum



**3**

Manufacturing facilities



**30+**

Depots

## The "Art & Science" of Paints



**3000+**

Dealers network across the country



**Strong Presence in**

Decorative & Industrial paints



**500+**

Employee strength



**1**

R&D center for paint innovations



**SHALIMAR  
PAINTS**



## INFRA.MARKET

Backed by investors including Accel, Nexus Venture Partners, Evolve India Fund, Sistema Asia Fund and Fundamental Gmb and Tiger Global

*Shalimar Paints are at the inflection point of exponential growth and partnering with Infra.Market will enable the company to pursue both organic and inorganic growth opportunities within our existing and even newer product categories.*

*The association with Shalimar is an important step as paints is an exciting category and Shalimar presents a unique opportunity for Infra.Market to partner with an established vintage brand in this much coveted category. Infra.Market's technology-based supply chain solutions, will substantially add value to the robust ecosystem that Shalimar has already built, and together it will be instrumental in enhancing Infra.Market's position as a category leader in the building material industry."*

Entry of  
Infra.Market into  
the lucrative Paints  
Category

Access to Next  
Generation  
Platform to  
increase its reach  
and distribution  
network

Fund infusion  
to provide  
Growth Capital

## Decorative Paints

- An extensive range of decorative and protective paint products for interior and exterior segments
- Our portfolio spans across product categories and price points catering to a wide variety of consumers
- Eco friendly emulsion products certified by Griha Council
- Low VOC products that is certified by National Test House (NTH)

paints that give  
walls a persona



## Industrial Paints

- Pioneers in Industrial coatings - Introduced notable firsts in high performance coatings such as high-build zinc coatings, radiation resistant coatings for nuclear power plants, polyurethane paint for fighter aircraft and railway coaches
- One of the largest Indian players in high-performance Protective Coatings
- Significant presence in General Industrial (Product Finish) and Packaging coatings



# Decorative Paints: Strategy Going Ahead



Focus on areas having significant presence



Focus on smaller Tier 3 & 4 towns and rural area



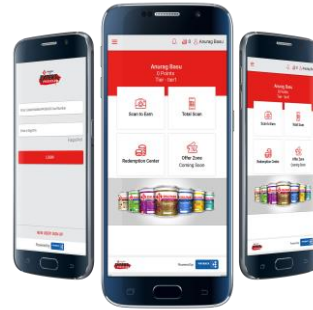
Focus on deploying Premium emulsion machines in the market



Service improvement-specialty supply

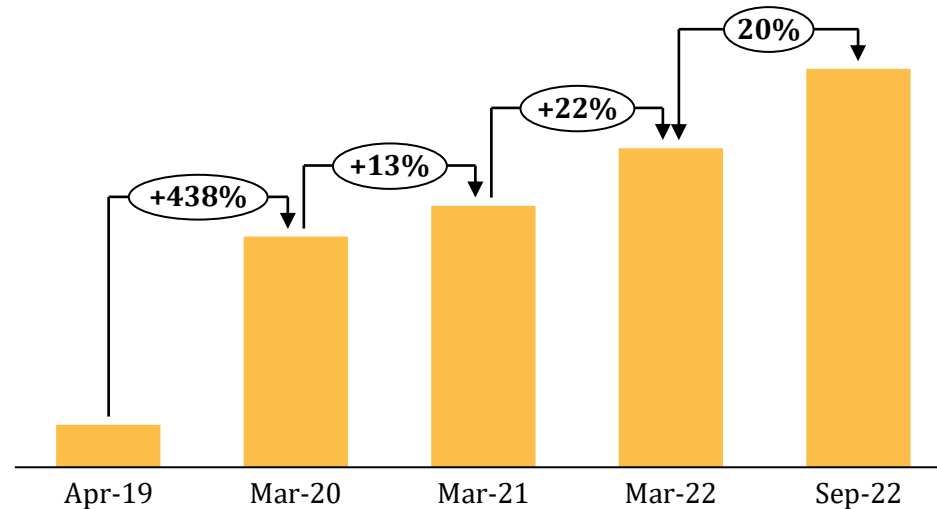


Focus on research & development of newer products



## Expert Program

### Increase in no. of Painters

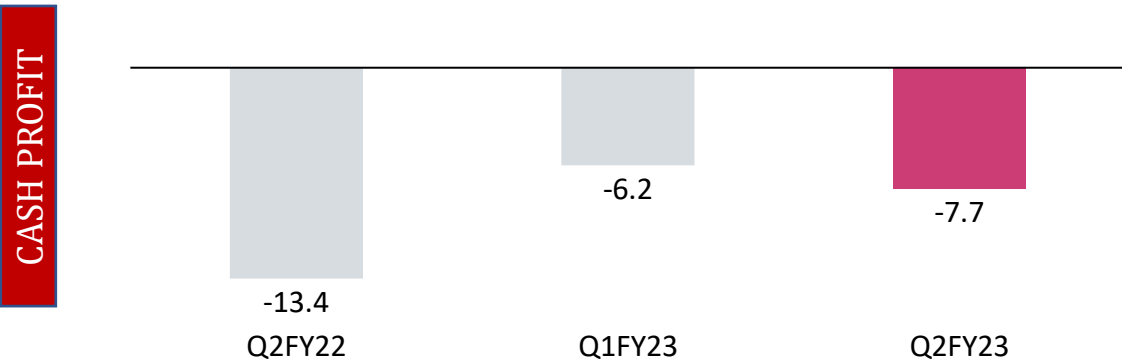
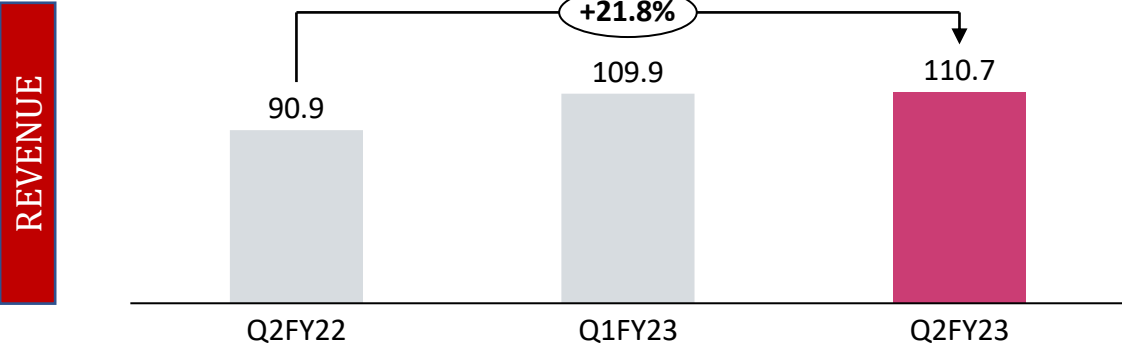


### Progress over last a year

- ✓ **Cost Reduction:**
  - Cost saving due to optimization of water & solvent-based paints
- ✓ **New Product Development:**
  - Newer products developed & formulations released to plants
- ✓ **Vendor Development:**
  - Newer Raw material evaluated and approved
- ✓ **Quality Upgradation:**
  - Quality of the formulations were improved



# Positive outcome on financial performance



## Cost Optimization Strategies

- ✓ Improve Supply / RM Chain Management
- ✓ Procurement through reverse mechanism.
- ✓ Improve the Product Supply to Channel partners
- ✓ Reduce overall company related costs

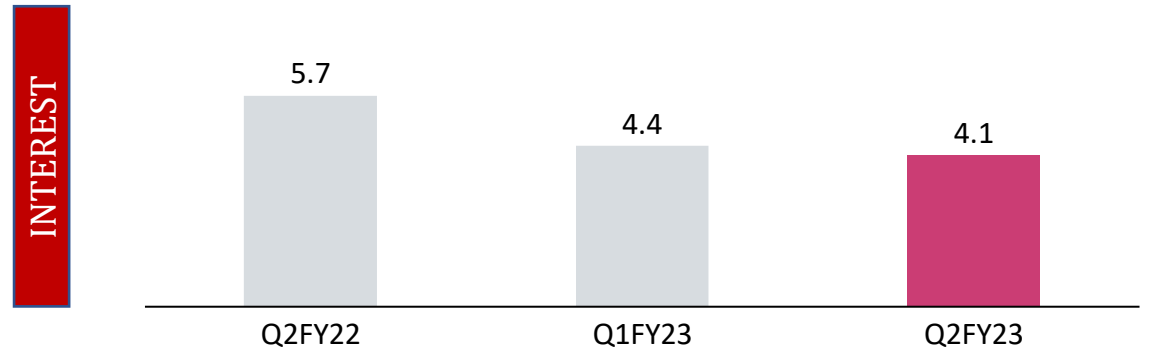
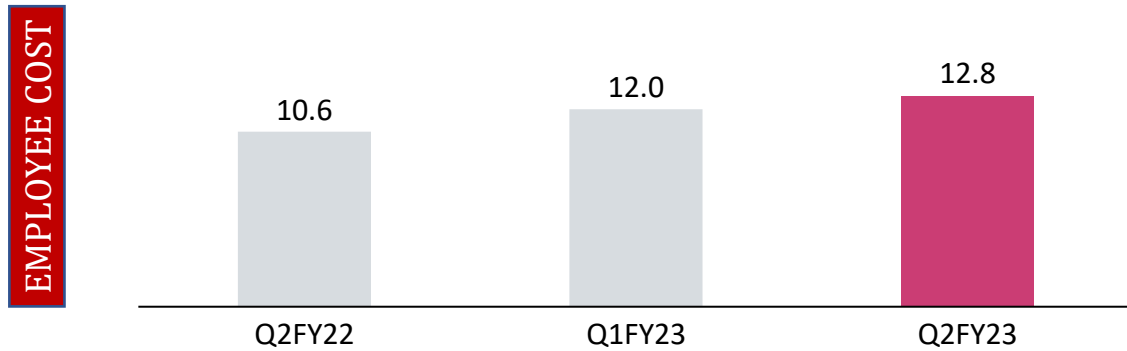
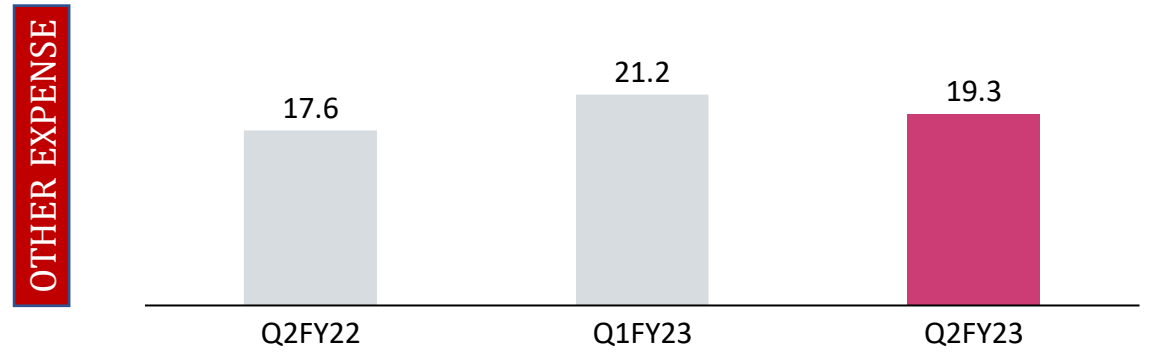
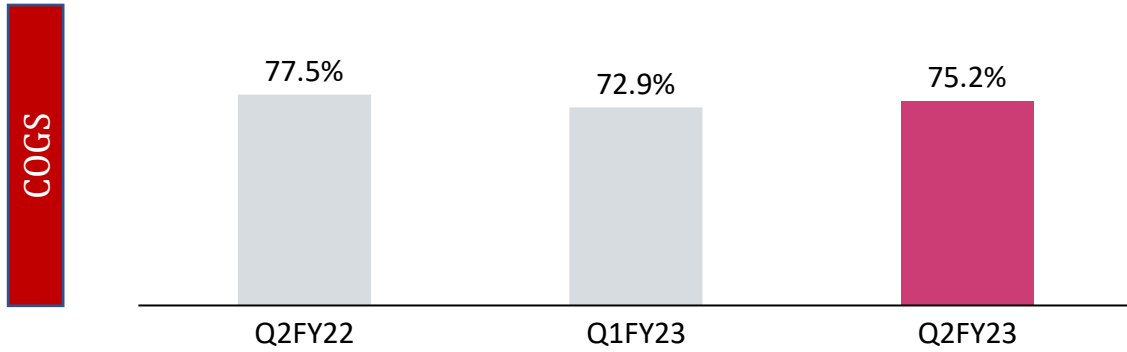
## Value Creation

- ✓ Volume Growth in Decorative + Industrial Segments
  - Lead to Improved Operating Efficiencies
- ✓ Increase dealer network and number of depots across the country
  - Optimizing dealer margins over a period of time

## Improving Efficiencies

- ✓ Lowering Working Capital requirements and improving profitability

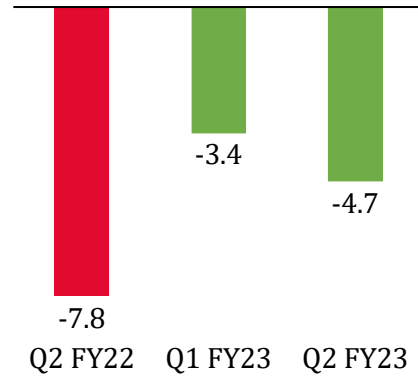
# Positive outcome on financial performance



# 360° growth strategy: started yielding results

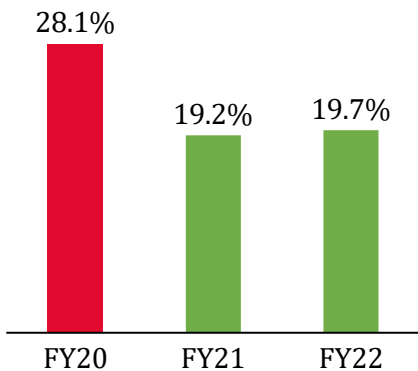
## Operating Profit

EBITDA (Rs. Crs)



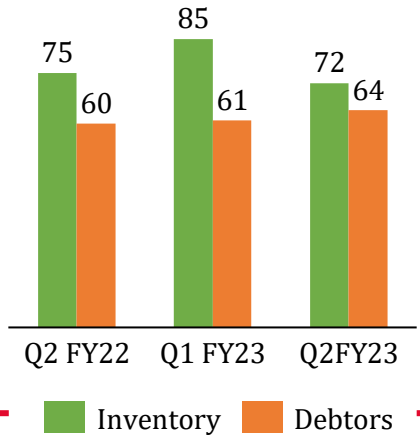
## Optimizing Operating Efficiencies

Other Exp. (% to Revenue)



## Inventory and debtor days

Inventory and Debtors (No. of days)



# Profit & Loss Statement Q2 FY23

Particulars	Q2FY23	Q2FY22	Q1FY23
<b>Revenue from Operations</b>	<b>110.7</b>	<b>90.9</b>	<b>109.9</b>
Cost of Materials Consumed	69.7	63.0	84.3
Purchase of Traded Goods	6.7	5.2	6.9
Changes in Inventories of Finished Goods and Work in Progress	6.9	2.3	-11.1
<b>Gross Profit</b>	<b>27.3</b>	<b>20.4</b>	<b>29.8</b>
<b>GP %</b>	<b>24.7%</b>	<b>22.4%</b>	<b>27.1%</b>
Employee Benefits Expense	12.8	10.6	12.0
Other Expenses	19.3	17.6	21.2
<b>EBITDA</b>	<b>-4.7</b>	<b>-7.8</b>	<b>-3.4</b>
Other Income	1.2	0.1	1.5
Depreciation and Amortisation Expense	3.1	3.4	3.4
<b>EBIT</b>	<b>-6.7</b>	<b>-11.2</b>	<b>-5.3</b>
Finance Costs	4.1	5.7	4.4
Exceptional Items	-	-	-
<b>PBT</b>	<b>-10.8</b>	<b>-16.8</b>	<b>-9.6</b>
Total Tax Expense	0.0	0.0	0.0
<b>Profit for the year</b>	<b>-10.8</b>	<b>-16.8</b>	<b>-9.6</b>
EPS	-1.5	-3.1	-1.3

## • Revenue:

- Company has reported revenue growth of 22% from previous year which is Q2FY22.
- During this quarter company has grown by 24% in Decorative segment and 52% in Industrial Segment on gross revenue from last year same quarter i.e., Q2 FY22.
- During the quarter, the Company has taken a price hike of 20% compared to same period last year to partially offset the increase in the raw material prices.
- In the coming quarters looking at the raw material trend, company will decide on the future pricing strategy

## • Raw material cost:

- Over the last few quarters, raw material prices were on an increasing trend, which has contracted the Gross profit impacting the overall profitability of the company. During Q2 FY23 key raw material prices have reduced globally, hence Gross margins are Improved by 4% from Q2FY22 and 2% from Q1FY23.
- The prices of key raw materials have decreased as compared to previous quarter.
- Company is continuously working on improving its product mix within the segments, which will eventually help to reduce the impact of increase in raw material costs on the company's profitability

## • Other Expenditure:

- Company has maintained the fixed cost at previous year level, however there was a marginal increase in line with the sales for semi variable expenses.

# Balance Sheet As on 30<sup>th</sup> Sep 2022



Balance Sheet - ASSETS	Sep - 22	Mar-22
Property, Plant and Equipment	251.5	268.9
Right of Use Assets	17.3	1.8
Capital Work-in-progress	1.3	0.2
Intangible Assets	3.8	4.1
<b>Financial Assets</b>		
Other Financial Assets	2.2	1.8
Deferred Tax Assets (Net)	-	19.8
<b>Total Non-Current Assets</b>	<b>276.0</b>	<b>296.6</b>
Inventories	107.3	97.3
<b>Financial Assets</b>		
(i) Trade Receivable	95.1	78.5
(ii) Cash and Cash Equivalents	0.8	164.6
(iii) Other Bank Balances	83.5	5.0
(iv) Other Financial Assets	2.6	6.4
Current Tax Assets (Net)	3.3	3.3
Other Current Assets	11.8	16.4
<b>Total Current Assets</b>	<b>304.3</b>	<b>371.6</b>
<b>TOTAL ASSETS</b>	<b>580.4</b>	<b>668.2</b>

Balance Sheet - EQUITY & LIABILITIES	Sep - 22	Mar-22
Equity Share Capital	14.4	14.4
Other Equity	353.3	357.5
<b>Total Equity</b>	<b>367.8</b>	<b>371.9</b>
Financial Liabilities		
(i) Borrowings	75.1	84.6
(ii) Lease Liabilities	0.4	1.0
(iii) Other Financial Liabilities	0.1	0.1
Provisions	13.0	8.3
Deferred Tax Liabilities (Net)	2.5	-
<b>Total Non-Current Liabilities</b>	<b>91.2</b>	<b>94.0</b>
Financial Liabilities		
(i) Borrowings	22.5	58.7
(ii) Lease Liabilities	1.3	0.9
(iii) Trade payables	67.3	106.0
(iv) Other Financial Liabilities	23.5	25.4
Provisions	1.0	5.1
Other Current Liabilities	5.9	6.3
<b>Total Current Liabilities</b>	<b>121.42</b>	<b>202.2</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>580.4</b>	<b>668.2</b>

# Cashflow Statement



Cash Flow Statement	Sep - 22	Sep-21
<b>Cash Flow from Operating Activities</b>		
Profit before Tax	(20.4)	(36.2)
Adjustment for Non-Operating Items	12.42	17.2
<b>Operating Profit before Working Capital Changes</b>	<b>(8.0)</b>	<b>(19.0)</b>
Changes in Working Capital	(60.1)	4.3
<b>Cash Generated from Operations</b>	<b>(68.1)</b>	<b>(14.7)</b>
Less: Direct Taxes paid	(0.1)	(0.1)
<b>Net Cash from Operating Activities</b>	<b>(68.0)</b>	<b>(14.8)</b>
Cash Flow from Investing Activities	(82.1)	(2.6)
Cash Flow from Financing Activities	(13.7)	16.4
<b>Net increase/ (decrease) in Cash &amp; Cash equivalent</b>	<b>(163.8)</b>	<b>(1.0)</b>
Cash & Cash Equivalents at the beginning of the period	164.6	2.7
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>0.8</b>	<b>1.7</b>

# Thank You

**Company :**



**Shalimar Paints Limited**

CIN: L24222HR1902PLC065611

Mr. Mohit Kumar Donter – Chief Financial Officer

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