



**SHALIMAR
PAINTS**

February 17, 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, 5th Floor,
Plot No. C/1, G- Block
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
NSE Symbol : SHALPAINTS

Subject: Intimation of Investor's Presentation

Dear Sir/Madam,

Please find attached the Investor's Presentation for the quarter and nine months ended December 31, 2021. The same is also being uploaded on the website of the Company www.shalimarpaints.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Shalimar Paints Limited**

Shikha Rastogi
Company Secretary



Encl: As above



**SHALIMAR
PAINTS**

Shalimar Paints Ltd.

Corporate Office: 1st Floor, Plot No. 28, Sector 32, Gurugram – 122001, Haryana

Regd. Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram – 122001, Haryana.

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Email Id: askus@shalimarpaints.com Website: www.shalimarpaints.com CIN: L24222HR1902PLC065611



**SHALIMAR
PAINTS**

Shalimar Paints Limited

**Investor Presentation
February 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

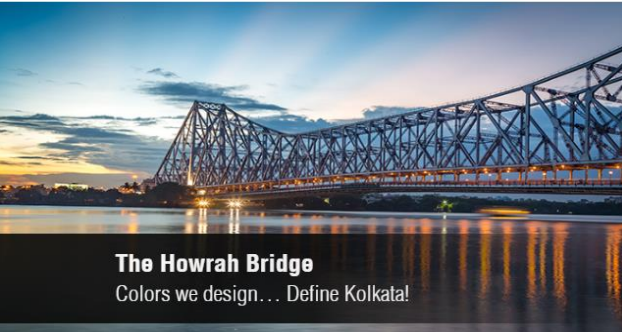
To persevere and excel as one of the premier paint companies of the country, a leader in product innovation and customer satisfaction. We intend to build long term value relationships with all our shareholders, customers, employees and suppliers.

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



5,300+

Dealers network across the country



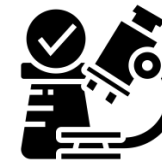
Strong Presence in

Decorative & Industrial paints



500+

Employee strength



2

R&D centers for paint innovations

Journey so far



Shalimar Paints Colour & Varnish Co. incorporated in India

1902

P. Johnson bought control, became part of Red Hand Composition

1928

Became a public limited company on 27th May

1961

Name changed to Shalimar Paints Ltd on 18th Sep

1963

Acquires the American Paints unit in Sikandrabad near Delhi

2003

Nasik Plant started

1992

Sold to Jhunjhnuwalas & O.P. Jindal Group for jointly Managing it

1989

International Paints acquires US-based Red Hand Composition

1964

Enters into technical collaboration with KCI, Korea for pre-coated metal coatings

2008

Chennai Plant started

2017

Nasik Plant Re-instatement started

2018

Cash Profit generated for FY21

2020

Strategic stake sale to Infra.Market (24.8%)

2022



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



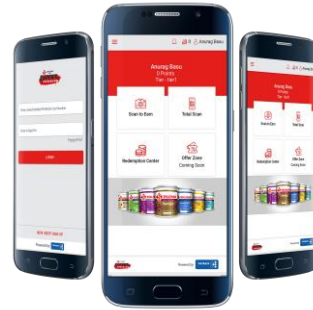
Focus on deploying Premium emulsion machines in the market



Service improvement-specialty supply

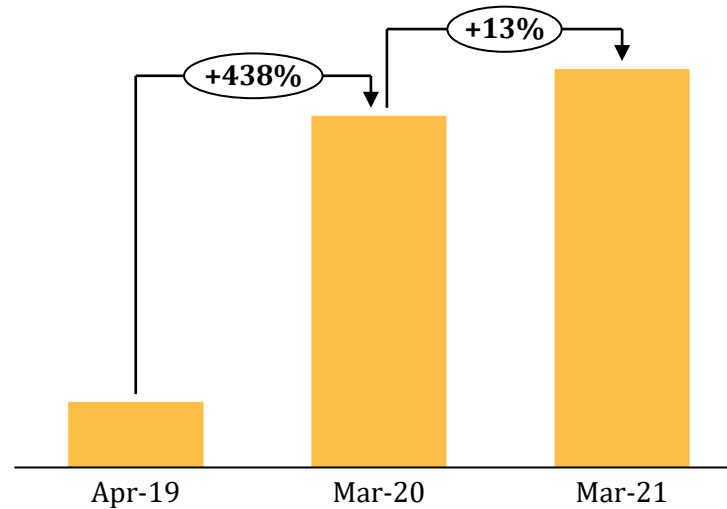


Focus on research & development of newer products



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

Industrial Paints: Strategy Going Ahead

- From Zonal Business structure to Vertical business structure alignment
- Each Vertical defined with visible Key Result Areas which include:
 - Customer Retention with defined Value proposition
 - Gain market share across various verticals
 - Promoting SPL as a Service provider rather than only a paint vendor
 - Strong focus on Margins
 - Focus on new Verticals like Dealers, PEB/ OEM and Packaging



- Create opportunities for growth of Team Leaders to take additional responsibilities
 - Upskilling the talent pool by proper training and recruitment of skilled people from relevant industries
- To work on product gaps in each Vertical. Objective would be to viz:
 - Complete the product portfolio for Oil and Gas and regain lost ground
 - Focus efforts on new age technology to reduce / mitigate corrosion like Ceramic coatings, Graphene based coatings



Market Expansion



Customer Expansion



Product Expansion



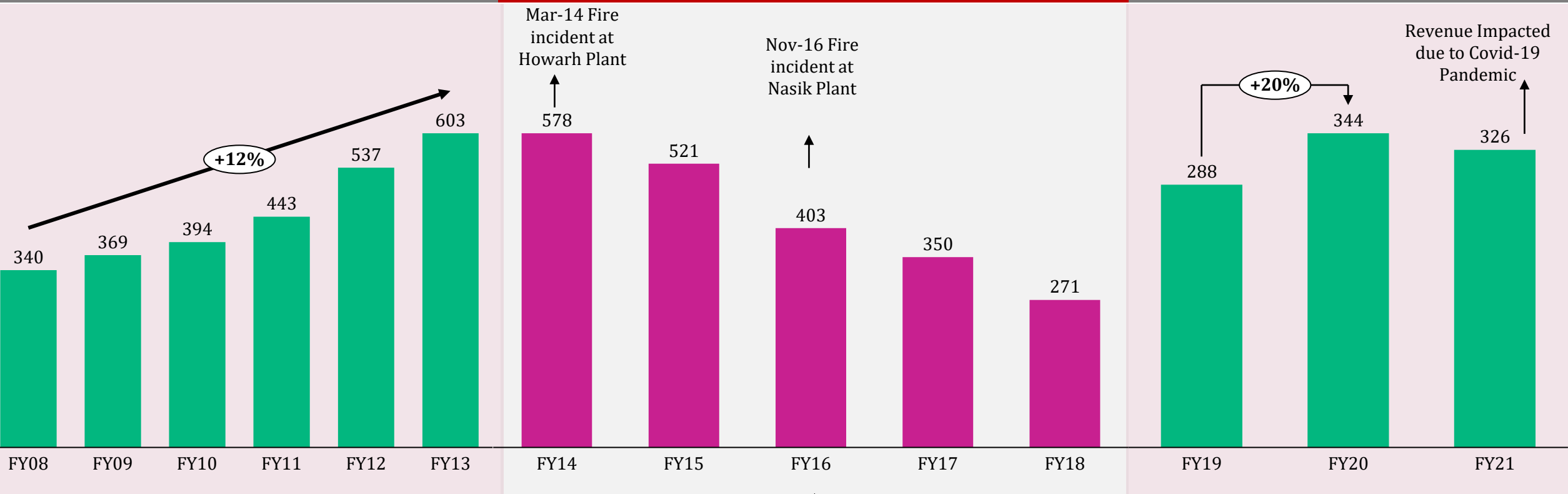
Brand Expansion

Historical Financial Performance

Steady Revenue growth in both the segments in this period

Unfortunate fire incident at our plants led to loss of capacity eventually resulting in declining revenues

Corrective actions initiated led to Business revival until Covid-19 disruptions



Supply Side Constraints



Supply Chain Disruptions






Inadequate Product Portfolio



Intermittent Product Supply to Channel partners

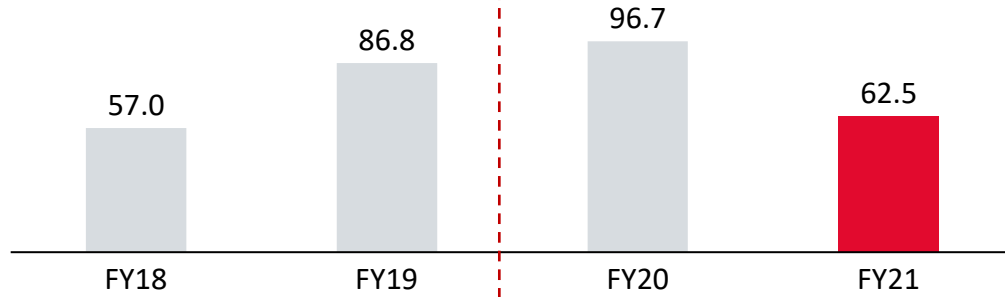
Impact on the entire value chain – leading to operational and financial underperformance during the period

Improved supply chain management

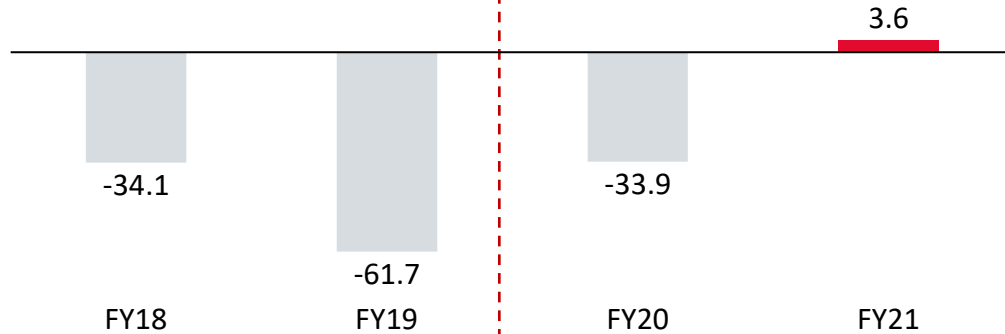
	Finished Goods	Cost Management	Customer Services
 <p>Challenges faced</p>	<ul style="list-style-type: none"> ○ Used simple forecasting model to plan to produce finished goods ○ Distribution done through conventional method ○ Higher inventory days 	<ul style="list-style-type: none"> ○ High Supply Chain management cost ○ Dealing with multiple service producer thus overlapping and higher cost 	<ul style="list-style-type: none"> ○ Poor Order Management ○ Scope to improve Dispatch efficiency ○ Inefficient Delivery system
 <p>Actions taken</p>	<ul style="list-style-type: none"> ○ Shifted to replenishment model ○ Identifying the reductant products and adjusting/discontinuing the loss making product ○ Redesigned distribution network ○ Finished good inventory reduced by 25%-30% 	<ul style="list-style-type: none"> ○ Change in Production & Sales model along with Cost optimization strategies helped reduce supply chain management cost ○ Improved product quality along with the process improvement ○ Deployed owned/fixed vehicles 	<ul style="list-style-type: none"> ○ SLA's with internal customers ○ Daily review process ○ Stocks accuracy
 <p>Going ahead</p>	<ul style="list-style-type: none"> ○ Batch Management ○ Liquidate non-moving Finished Goods ○ Reduce MTO Stocks TAT 	<ul style="list-style-type: none"> ○ Working towards reducing supply chain management cost further through Vertical Space utilization ○ In-transit damages to be controlled further 	<ul style="list-style-type: none"> ○ More Own / Fixed Vehicles ○ Expand Footprints ○ Process strengthening ○ E_Samvaad (e_POD's)

Positive outcome on financial performance

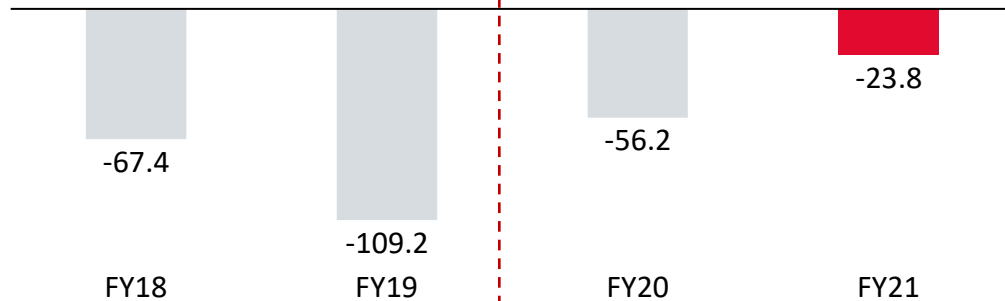
Other Expenses



EBITDA



PBT



Cost Optimization Strategies

- ✓ Improve Supply / RM Chain Management
- ✓ Improve the Product Supply to Channel partners
- ✓ Increase efficiencies at Depots
- ✓ 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

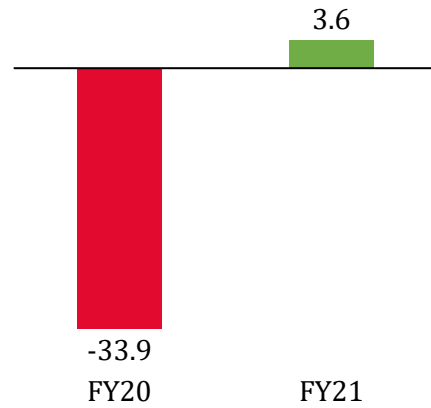
Improving Efficiencies

- ✓ Lowering Working Capital requirements and improving profitability

360° growth strategy: started yielding results

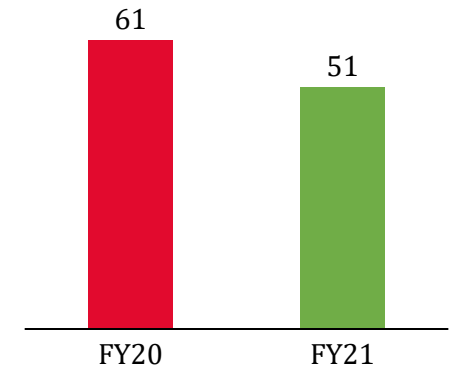
**Operating Profit
Turns Positive**

EBITDA (Rs. Crs)



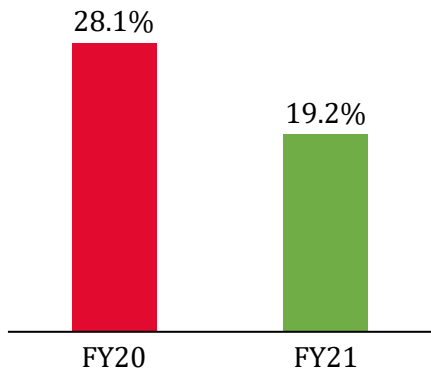
**Reduction in
Working Capital
requirements**

**Working Capital
(No. of days)**



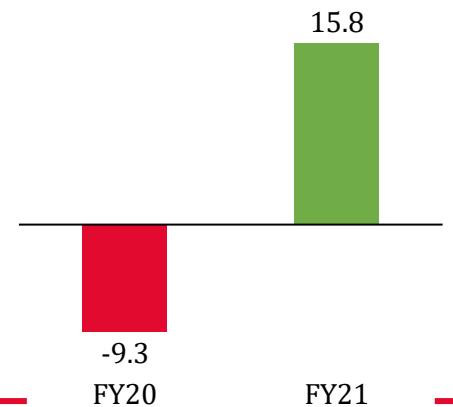
**Improving
Operating Efficiencies**

**Other Exp.
(% to Revenue)**



**Healthy Operating
Cashflow**

**Cashflow from
Operating activities
(Rs. Crs)**



“Launching of newer products as per the market demand & continuously improving the serviceability”

Seal-Proof

- Specially formulated premium quality acrylic primer with superior alkali, damp and efflorescence resistance for application on exterior and interior surfaces. It consists of a special polymer which binds with the surface giving better water seepage resistance
- It has excellent hiding, whiteness & brightness. It enhances the durability of the top coat

Shalimar Alkali Block Exterior Wall Primer

- Shalimar Alkali Block Exterior Wall Primer is a water diluteable exterior primer based on specially designed acrylic emulsion suitable for exterior walls. It gives superior alkali and efflorescence resistance to exterior masonry surfaces

Pearl Lustre

- It is a Lustre Dana Finish Interior Synthetic Enamel Solvent based paint. This is designed essentially for applications on interior masonry, concrete, wooden & metal substrates to get the designer Dana finish.
- It gives smooth, silky, stain resistant, washable, durable, anti yellowing & tough film

Xtra Tough Anti Carbonation Coating

- Xtra Tough Anti-Carbonation coating is a water based, 100% acrylic, exterior coating, offering protection against carbon dioxide diffusion to your concrete structures. It has been formulated to protect and decorate concrete and masonry surfaces
- micro-porous structure of the coating acts as a barrier to Water and Carbon Dioxide but allows passing of water vapour from the substrate to the environment and becomes breathable along with the substrate

Profit & Loss Statement Q3-FY22



Particulars	Q3FY22	Q3FY21	Q2FY22
Revenue from Operations	96.5	92.5	90.9
Cost of Materials Consumed	69.9	59.0	63.0
Purchase of Traded Goods	3.9	6.2	5.2
Changes in Inventories of Finished Goods and Work in Progress	-0.5	-6.1	2.3
Gross Profit	23.1	33.5	20.4
GP %	24.0%	36.2%	22.4%
Employee Benefits Expense	11.2	10.1	10.8
Other Expenses	17.9	17.6	17.4
EBITDA	-6.0	5.8	-7.8
Other Income	2.6	0.1	0.1
Depreciation and Amortisation Expense	3.4	3.3	3.5
EBIT	-6.9	2.5	-11.2
Finance Costs	6.1	5.0	5.7
Exceptional Items	2.3	0.0	0.0
PBT	-15.2	-2.4	-16.8
Total Tax Expense	0.0	4.6	0.0
Profit for the year	-15.2	-7.0	-16.8
EPS	-2.81	-1.29	-3.10

• **Revenue:**

- Company has reported revenue growth of 4% in the quarter from Q3 FY21. Despite the lean season in the North, the company has recorded growth in Revenue from both Industrial & Decorative segments.
- Contribution from Industrial segments has marginally increased during the quarter.
- During the quarter, the Company has taken a price hike of 7% to 10% compared to the last quarter and ~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 have seen on an increasing trend, which has contracted the Gross profit impacting the overall profitability of the company
- The prices of key raw materials have increased by more than 50% on the back of steep inflationary trend and sharp increase in commodity prices across the globe
- The company was able to absorb the increased cost by passing on the cost to the consumers through increase in average selling prices. However, due to competitive intensity need to absorb few costs internally impacting the margins of the company
- 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

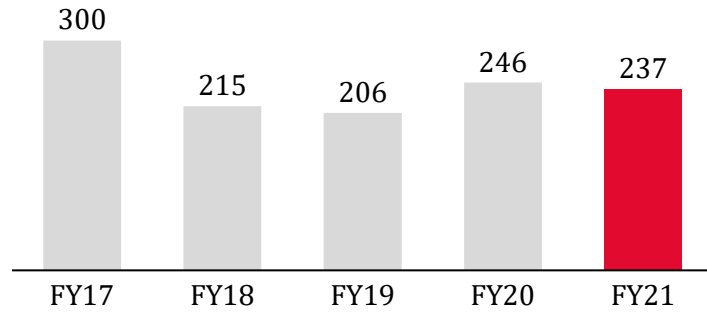
• **Other Expenditure:**

- Company has maintained the fixed cost at previous year level, however marginal is due to secondary gifts scheme for the season.

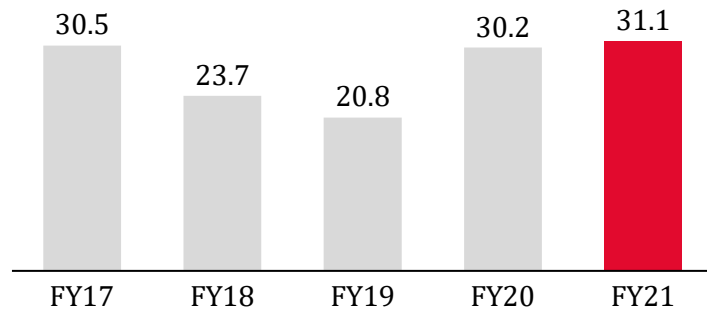
Business Segment Performance

Decorative Paints

Revenues* (Rs. Crs.)

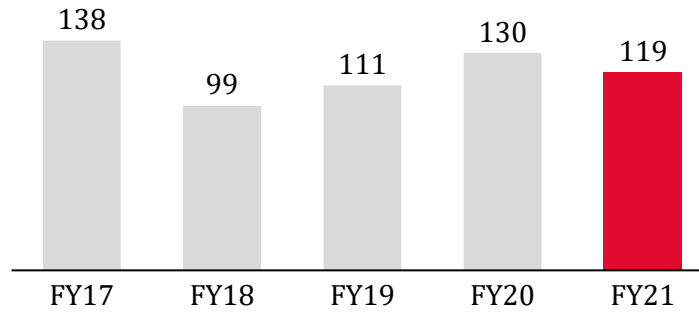


Volumes (in KL '000)

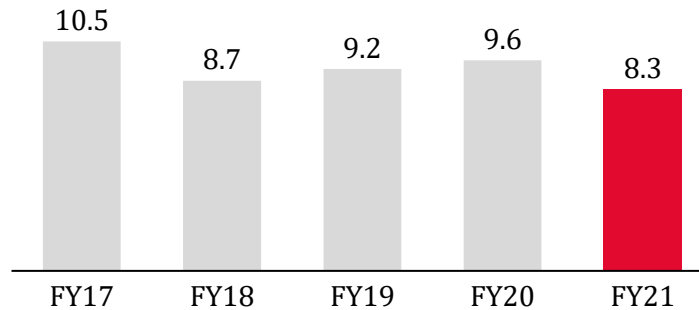


Industrial Paints

Revenues* (Rs. Crs.)

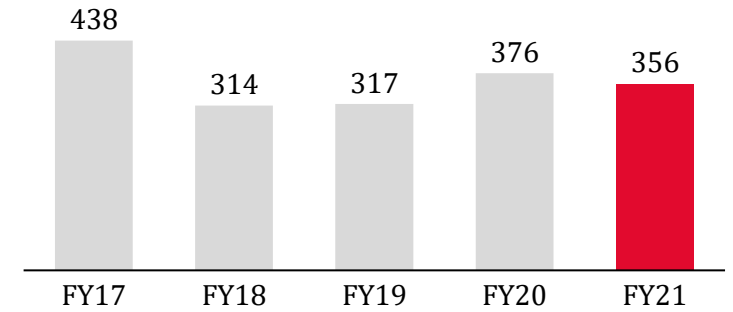


Volumes (in KL '000)

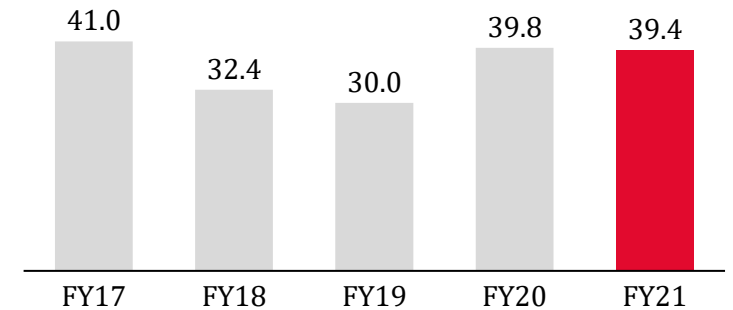


Total

Revenues* (Rs. Crs.)



Volumes (in KL '000)



Historical Profit & Loss Statement



Particulars	FY21	FY20	FY19	FY18	FY17
Revenue from Operations	325.6	343.9	287.6	271.2	349.8
Cost of Materials Consumed	198.4	243.5	213.2	193.1	208.5
Purchase of Traded Goods	21.9	0.0	0.0	0.0	0.0
Changes in Inventories of Finished Goods and Work in Progress	2.4	-11.2	7.3	15.8	11.0
Gross Profit	102.9	111.6	67.1	62.3	130.3
GP %	31.6%	32.4%	23.3%	23.0%	37.3%
Employee Benefits Expense	36.7	48.7	42.0	39.4	35.3
Other Expenses	62.5	96.7	86.8	57.0	81.5
EBITDA	3.6	-33.9	-61.7	-34.1	13.5
EBITDA %	1.1%	-9.8%	-21.5%	-12.6%	3.9%
Other Income	7.2	1.4	2.0	0.6	2.0
Depreciation and Amortisation Expense	13.3	10.9	8.8	7.9	8.1
EBIT	-2.5	-43.3	-68.5	-41.3	7.4
Finance Costs	19.3	19.9	25.1	26.0	22.6
Exceptional Items	-2.0	7.0	-15.7	-	-
PBT	-23.8	-56.2	-109.2	-67.4	-15.2
Total Tax Expense	26.1	-18.0	-27.4	-21.8	-5.5
Profit for the year	-49.9	-38.2	-81.8	-45.6	-9.7
PAT %	-15.3%	-11.1%	-28.4%	-16.8%	-2.8%
EPS	-9.18	-7.03	-15.24	-24.04	-5.12

Balance Sheet (Assets)



Balance Sheet - ASSETS	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Property, Plant and Equipment	278.4	288.3	245.7	249.6	221.7
Right of Use Assets	0.3	0.8	0.0	0.0	0.0
Capital Work-in-progress	0.4	0.1	23.6	0.7	13.74
Intangible Assets	4.6	5.5	-	-	-
Financial Assets					
(i) Loans	1.5	1.7			
(ii) Other Financial Assets	0.1	0.0	6.3	2.3	9.7
Deferred Tax Assets (Net)	19.8	45.9	0.3	0.4	0.2
Other Non Current Assets	0.2	0.2	0.0	0.0	0.0
Total Non-Current Assets	305.2	342.5	275.9	253.0	245.4
Inventories	88.8	86.6	71.4	74.0	92.6
Financial Assets					
(i) Investments	-	-	-	-	2.9
(ii) Trade Receivable	77.7	71.5	99.0	105.8	124.7
(iii) Cash and Cash Equivalents	2.7	2.8	91.0	19.2	11.8
(iv) Other Bank Balances	5.0	1.8	0.0	0.0	0.0
(v) Other Financial Assets	4.5	8.5	42.8	39.6	43.3
Current Tax Assets (Net)	3.1	2.9	0.0	0.0	0.0
Other Current Assets	16.0	19.5	11.4	27.6	39.2
Total Current Assets	197.7	193.6	315.6	266.2	314.5
TOTAL ASSETS	502.9	536.1	591.5	519.2	559.8

Balance Sheet (Equity & Liabilities)



Balance Sheet - EQUITY & LIABILITIES	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Equity Share Capital	10.9	10.9	11.0	4.1	4.2
Other Equity	212.2	262.0	294.3	134.0	179.7
Total Equity	223.1	272.9	305.3	138.1	183.8
Financial Liabilities					
(i) Borrowings	24.1	18.2	18.1	24.9	23.7
(ii) Lease Liabilities	0.0	0.9	0.0	0.0	0.0
(iii) Other Financial Liabilities	0.4	1.4	0.0	0.0	0.0
Provisions	6.1	6.1	6.0	6.7	6.8
Deferred Tax Liabilities (Net)	0.0	0.0	-28.0	-0.4	21.5
Other Non-Current Liabilities	0.0	0.0	2.6	0.2	0.3
Total Non-Current Liabilities	30.5	26.7	-1.3	31.5	52.2
Financial Liabilities					
(i) Borrowings	99.6	100.7	126.8	150.0	137.1
(ii) Trade payables	111.0	96.1	97.6	139.5	129.1
(iii) Other Financial Liabilities	28.7	30.2	0.0	0.0	0.0
Provisions	4.7	4.5	29.9	27.2	26.6
Other Current Liabilities	5.4	5.1	33.3	32.8	31.0
Total Current Liabilities	249.3	236.5	287.6	349.6	323.8
TOTAL EQUITY & LIABILITIES	502.9	536.1	591.5	519.2	559.9

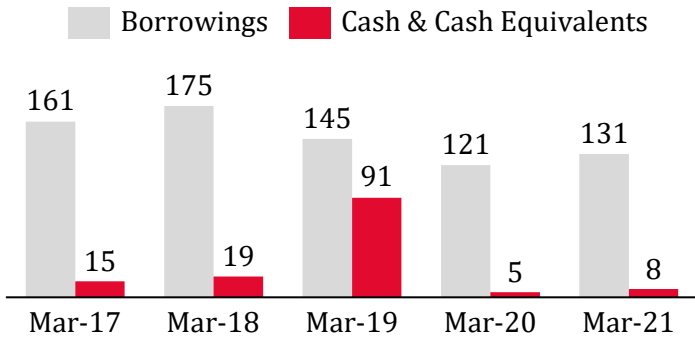
Cashflow Statement



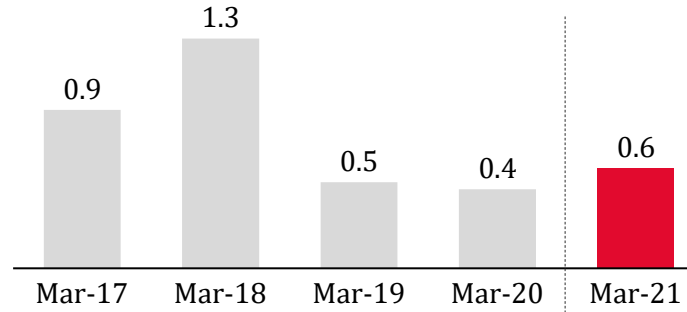
Cash Flow Statement	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Cash Flow from Operating Activities					
Profit before Tax	(23.8)	(56.16)	(109.18)	(67.37)	(15.21)
Adjustment for Non-Operating Items	32.2	56.6	72.6	33.7	30.9
Operating Profit before Working Capital Changes	8.5	0.4	(36.6)	(33.7)	15.6
Changes in Working Capital	7.5	(9.6)	(57.4)	69.2	18.8
Cash Generated from Operations	15.9	(9.2)	(93.9)	35.5	34.4
Less: Direct Taxes paid	(0.2)	(0.1)	(0.1)	0.4	(0.1)
Net Cash from Operating Activities	15.8	(9.3)	(94.0)	35.8	34.4
Cash Flow from Investing Activities	(6.4)	(27.9)	(33.7)	(10.5)	(16.0)
Cash Flow from Financing Activities	(9.5)	(45.8)	197.9	(17.9)	(18.9)
Net increase/ (decrease) in Cash & Cash equivalent	(0.2)	(83.0)	70.2	7.4	(0.5)
Cash & Cash Equivalents at the beginning of the period	2.8	85.8	15.6	8.1	8.7
Cash & Cash equivalents at the end of the period	2.7	2.8	85.8	15.6	8.2

Balance Sheet Strength

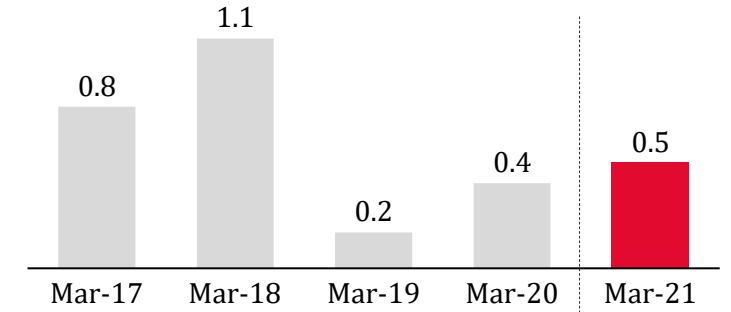
Borrowings & Cash Balance



Debt to Equity

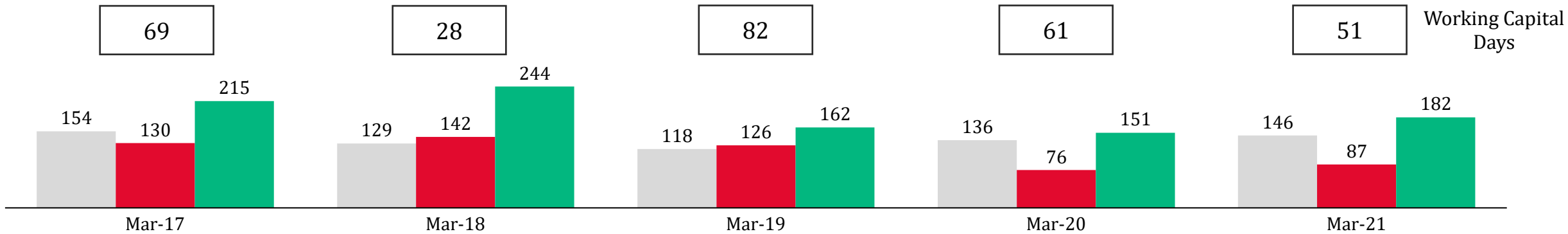


Net Debt to Equity



Working Capital (in Days)

Legend: Inventory (Grey), Debtors (Red), Creditors (Green)



Brand Campaigning Initiatives

Shalimar has carried out various marketing campaigns from time to time to capture greater mind share of customers and generate pull effect for the brand




SHALIMAR
PAINTS

HAR RANG KHOBSURAT

PHOTOGRAPHY CONTEST

Do you have a story to tell?
Show us the world through your lens.

Contest starts
2nd August, 2019 onwards

5 winners will receive prizes
worth **INR 10,000** each

7 winners will receive prizes
worth **INR 5,000** each

JURY

 ANKIT KUMAR PHOTOGRAPHER	 MALVIKA RALLAN FASHION INFLUENCER	 SAMAR KHAN DOODLER
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Scan and Participate



T&C Apply



Focus on strengthening legacy 'Shalimar Paints' Brand



Launched Kahaani Project

- Campaign aimed at beautifying and uplifting the village of Tauli Bhud located in Dehradun, Uttarakhand
- Empowered over 300 people and offered livelihood generation to 24 villagers
- Through this one-of-its-kind campaign, the language, traditions and values of the people of Tauli Bhud will now live forever, vibrantly painted on the village walls

14 wall arts

More than **8000**sq.ft. painted

Support from **15** National &

4 International organisations

Artists from **7** different countries

322+ Lives impacted

Infinite smiles & memories



RANG BADLAAV KE

3000+ homes painted
1000+ graffiti's
2000+ volunteers from **80+** colleges
30+ corporates and
citizens from **20+** countries
countless **smiles** and endless **memories**....



Thank You

Company :



Shalimar Paints Limited

CIN: L24222HR1902PLC065611

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