



**SHALIMAR
PAINTS**

November 16, 2021

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

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

(Scrip Code: BSE – 509874, NSE – SHALPAINTS)

Subject: Press Release

Dear Sir(s),

We furnish herewith a copy of press release dated November 16, 2021 for your reference and records.

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

Thanking You

For Shalimar Paints Limited

(Gautam)
Company Secretary



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PAINTS**

Shalimar Paints Ltd.

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Shalimar Paints Limited

Key Consolidated Highlights for Q2 & H1 FY22

Investor Release (16th November 2021): Shalimar Paints Limited engaged in the manufacturing and marketing of decorative paints and industrial coatings has declared its Un-audited financial statements for the Quarter and Half year ended 30th September 2021.

Key Consolidated Financial Highlights:

Particulars (Rs. Crs.)	Q2 FY22	Q2 FY21	Q1 FY22
Revenues	90.9	76.8	65.2
EBITDA	(7.8)	4.5	(8.9)
Profit/Loss After Tax	(16.8)	(3.7)	(19.5)

Key Highlights for Q2FY22:

- **Revenue:**
 - Company has reported strong growth in the revenue on the back of good demand from both industrial and decorative segments during the quarter
 - Contribution from decorative segments has increased compared to same period last year
 - Festive season augured well for the company resulting into sales volume growth of 29% compared to the last quarter and did similar level of volumes compared to same period last year
 - During the quarter, the Company has taken a price hike of ~40% 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:**
 - Freight costs continue to stay extremely high due to increase in diesel prices and inflationary trend

Commenting on the Results, Mr. Ashok Gupta, Managing Director, Shalimar Paints said,

“We have seen good uptick in volumes during the period, however there was a negative impact on the profitability due to inflationary trend and sharp increase in the commodity prices which impacted the gross margins. We have also seen some disruptions on the supply chain part of the business and hence increased expenses in the terms of freight and transportation cost.

To offset such a huge impact, company took conscious efforts in terms of rejigging the product mix and increase its average selling price. However, it was very difficult for the company to pass on the impact of increase in raw material price to the consumers due to intense competition.

Company is continuously focussing on improving its product offerings. We have moved from solvent-based products to water-based products which has better margins and raw material impact is also on the lower side. We are also tracking all the cost parameters closely and efforts has been made to curtail and improve our cost of production. We believe that all the resources put in place are working in the right direction which will help us to override these challenging times and evolve as better player and concentrate on long-term sustainable growth”.



About Shalimar Paints Limited

Established in 1902, the history of Shalimar Paints is the history of the paint industry in India. The company is engaged in the manufacturing and marketing of decorative paints and industrial coatings. The Decorative business covers both Interior and Exterior paints, where it has a number of flagship brands. Some of India's iconic buildings and structures such as the Howrah Bridge, Rashtrapati Bhawan, Salt Lake Stadium, All India Institute of Medical Sciences, and many others, have been painted with Shalimar Paints. The company currently has three manufacturing units and a strong footprint across the country with over 30+ branches and depots. The wide and expansive network of RDC and depots spread across the country ensures that the products are available at every doorstep. Apart from India, Shalimar also caters to consumers in Nepal, Bhutan, Dubai, and Seychelles.

Safe Harbor

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Company:

Investor Relations Advisors:



Shalimar Paints Limited

CIN: L24222HR1902PLC065611

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