



## Paints Industry Overview:

- The decorative paints industry in Nepal has seen steady growth due to increasing urbanization, construction activities, and growing middle class populations. Local and international brands compete in this market, offering a variety of products to cater to different consumer preferences. The annual size of the Nepal's decorative paints industry is approximately Rs. 25 billion. And Nepalese companies command only 90% per cent market share. Import of paint is expected to hit 116,000 kilograms by 2026. This is up from 92,000 kilograms in 2021, a growth rate of 3.6% annually. Since 2014, the demand for paint in Nepal has risen by 7.6% each year. A key factor influencing the industry includes economic conditions, government regulations, and evolving consumer tastes. Additionally, sustainability and environmental concerns are becoming more important, driving demand for eco-friendly paints options. Overall, the industry is poised for further expansion as Nepal's economy continues to develop.

## Business Overview:

- Sarvottam Paints Industries Limited has been engaged in manufacturing of decorative paints in Sudurpachim Pradesh of Nepal Since 2073. The main objective of the company is to provide premium quality at reasonable price to its customers. Within seven years of inception, the company has successfully expanded its distribution network in Sudurpaschim Province, Lumbini Province & Karnali Province and serving

its customers through 200 well established distribution channels.

- **Company has earned the profit from the first year of its operation.** Company is producing wide range of decorative paints, water based emulsions and primer (both interior & exterior), enamels etc. Company has installed more than 50 reliable qualities of manual and automatic tinting machines. The company has established an advanced and technology based laboratory for research and quality control purposes. The company is spending certain portion of its net profit every year in health, education and sports as a part of its Corporate Social Responsibility (CSR) activities.

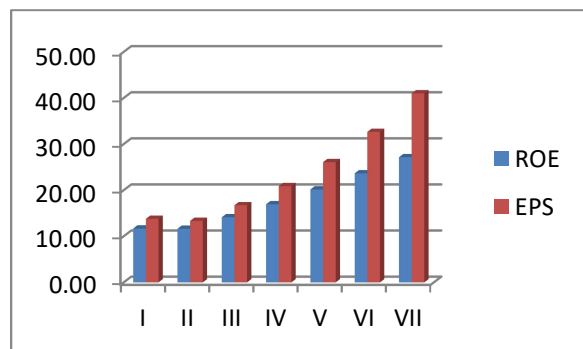
## Competitive Advantage:

- Sarvottam Paints Industries Limited's competitive advantage lies in its commitment to quality, affordability, diverse product portfolio, research and development, and a strong distribution network. These factors contribute to the company's success in meeting the need of the Nepalese consumers and competing effectively in the paints market.

## Growth Strategy:

- Branding and Marketing
- Product Expansion
- Market expansion to all over Nepal
- Trading of raw materials through subsidiary company
- Expansion of plant capacity and physical infrastructures
- Mining and extraction of solvents
- Collaboration with multinational company
- IPO strategy

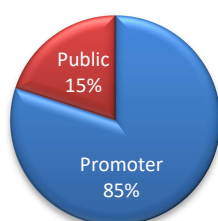
## Financial Projection:



## IPO Timeline:

- The private placement offering: Oct 2024
- EGM & Issue Ratings: Oct 2024
- Appointment of Issue Manager: November 2024
- IPO Registration in SEBON: Nov 2024
- IPO Approval from SEBON: April 2025
- IPO allotment & completion: June 2025
- Locking period of 3 years post IPO : June 2028
- Maximum holding period of 3.5 years as of current date.

## Proposed Capital Structure:



## Return Prospect:

- IRR of the investment of 4 years holding period (including 3 years of lock-in-period) is 44%. This gives the possibility of more than 4x return in terms of capital gain.

- Company's projected sales are on increasing trend giving the company a turnaround in terms of sales and profitability to give a prospect of regular return in terms of good dividend.
- Clear IPO plan proposed by the company to go into a public within coming fiscal year.

## Investment Opportunity:

- Private Placement Offerings (PPO): **NPR 100 million.**
- PPO Closing date: **15<sup>th</sup> Oct, 2024**
- Available on first come first serve basis
- Investment Instrument: **Equity Share (Promoter)**

## Leadership:

### Mr. Shiv Singh Karki (Chairman/Promoter)

- Mr. Shiv Singh Karki, a distinguished individual, embodies a wealth of experience and expertise in the realm of finance, commerce, and business leadership. With an illustrious career, he has served as the Promoter & Chairman of the erstwhile **Kanchan Development Bank Limited** for an almost 11 years and as director of erstwhile **Surya Life Insurance Company Limited**. Currently, he holds a position of director at **Sarbottam Cement Limited**, **Hathway Investment Nepal Limited** and other various public and private institutions. His extensive leadership and entrepreneurial skills make him a notable figure in the business landscape, contributing to the growth and success of various enterprises.

### Mr. Laxmi Datta Pandey (Promoter/Director)

- Mr. Laxmi Datta Pandey is an entrepreneur with a more than two decades of experience in various businesses. He is associated as a promoter & director of **Pandey Laxmi Jewelers Pvt. Ltd.**, **Laxmi Jewelers**, **Laxmi**

Suppliers and other various business institutions.

**Mr. Nabin Bhatt (Director)**

- Mr. Nabin Bhatt is serving the company as director, where he spearheads the company's operations and strategic directions. Additionally, he has an experience of more than a decade in managing the operations and administrative activities of the business.

He has worked with **Berger Paints Nepal** as Area Sales Manager for almost 7 years.

**For Further Details:**

Mr. Shiv Singh Karki  
Director  
+9779851020632