

Sirca Paints India Ltd (SIRCA) A Compounding Story!

September 24, 2025



Sirca Paints Ltd.: A Compounding Story!

Sept 23, 2025 | CMP: INR 501 | Target Price: INR 625

Expected Share Price Return: 24.8% | Dividend Yield: 0.31% | Expected Total Return: 25.1%

Sector View: Positive

BUY



Sirca Paints India Limited (SIRCA), rooted in Italian craftsmanship since 1973, is today a leading premium wood coatings brand in India. With the recent Wembley and Welcome acquisitions, it expanded into enamels, thinners, wall paints, and specialty coatings. Backed by innovation, sustainability, and strong distribution, SIRCA continues to shape interiors with quality and excellence.

Company Information

BB Code	SIRCA: IN EQUITY
ISIN	INE792Z01011
Face Value (INR)	10.0
52 Week High (INR)	504.0
52 Week Low (INR)	234.0
Mkt Cap (INR Bn)	28.5
Mkt Cap (\$ Mn)	320.7
Shares Outstanding (Mn)	57.0
Free Float (%)	28.5
FY28E EPS (INR)	19.1

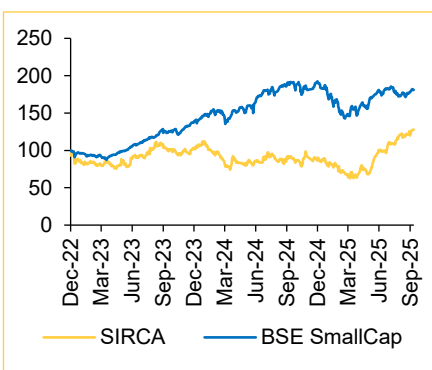
Shareholding Pattern (%)

	Sep-25	Jun-25	Mar-25
Promoters	65.19	67.54	67.55
FIIs	7.35	5.2	4.28
DIIIs	0.32	0.0	0.0
Public	27.14	27.26	28.17

Relative Performance (%)

YTD	3Y	2Y	1Y
BSE Small cap	82.8	46.4	-5.0
SIRCA	37.4	25.2	41.0

Rebased Price Performance (%)



[Listen to Investment Case Audio](#)

[Key Investor Questions Answered](#)

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Well-positioned to capitalise on structural growth opportunity

We believe, Sirca Paints Limited (SIRCA), with its exclusive collaboration with Europe's wood coating stalwart SIRCA S.P.A, is well-positioned to capitalise on the long runway for growth of premium Wood Coatings market in India. As of FY25, this market is pegged at INR 100Bn and would grow at a CAGR of 10%+ over the next 5-10 years in our view.

We forecast FY25-28E Revenue/EBITDA/PAT CAGR of 27/28/30% for SIRCA. It trades at attractive multiples of ~18x/26x FY28E EV/EBITDA/P/E. Given the growth runway, we believe these metrics are reasonable, on an absolute as well as relative basis.

The 3 key pillars of our constructive Investment Thesis on SIRCA are:

I) **Structural growth story of premium wood coatings in India:** We believe, following are the main drivers of growth of the premium coating products and high-quality finishes:

- a) Overall growth (FY25-30E CAGR of ~9%) of Paints industry which, in turn, is broadly driven by India's GDP growth, given construction, housing, real estate are significant drivers of India's economic growth.
- b) Domestic furniture manufacturing industry growth and rapid capacity expansion (30+% over next 3 years) by MDF/HDHMR players.

II) **Melamine replacement would accelerate PU demand:** We believe there is a structural shift in India's Wood Coatings market, from formaldehyde based Melamine (INR 30-35Bn market size as of FY25) which is carcinogenic to PU based products which are considered much safer. Transition to PU is also backed by increasing adoption of MDF in the furniture industry as Melamine struggles with adhesion on engineered materials. Additionally, once architect driven, PU coatings, are increasingly becoming mainstream retail products. While we expect overall Wood Coatings demand to increase at a 10% CAGR over FY25-30E, we expect PU based segment to grow at a faster rate of 25% due to these dynamics. SIRCA by virtue of its strong presence in high quality PU based wood coatings, would be a key beneficiary of this shift away from Melamine.

III) **Strategic acquisitions would expand product portfolio breadth and deepen market reach:** SIRCA's recent strategic acquisitions (Welcome, Wembley) expand its product portfolio breadth and customer base. Welcome and Wembley acquisitions broad base SIRCA's presence in the wood coatings value chain into thinners, sanding sealers, enamels etc.

Valuation: We use a DCF-based approach to value SIRCA. Our **base case scenario** TP is INR 625/sh and **upside scenario** (20–25% probability event) fair value is INR 800/sh. Whereas, our **downside scenario** (15–20% probability event) fair value is INR 360/sh. ([Bull Bear Case](#)).

Risks to our BUY rating: Possible significant slowdown of Indian economy and probable predatory pricing could adversely SIRCA's business.

Key Financials

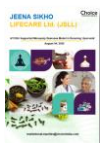
(INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,677	3,117	3,740	5,510	6,760	7,640
YoY (%)	33.9	16.4	20.0	47.3	22.7	13.0
EBITDA	617	687	674	992	1,224	1,413
EBITDAM %	23.0	22.0	18.0	18.0	18.1	18.5
Adj PAT	461	514	491	675	907	1,084
EPS	16.8	9.4	9.0	11.9	16.0	19.1
ROE %	17.4	16.7	14.0	14.0	16.0	16.3
ROCE %	21.6	20.3	15.1	17.2	18.5	18.6
PE(x)	22.6	40.6	56.0	42.1	31.4	26.2
EV/Sales (x)	3.7	6.5	7.3	4.9	3.9	3.4
EV/EBITDA (x)	16.1	29.4	40.7	27.5	21.8	18.3
Debt/Equity	-	-	0.1	0.1	0.1	0.1

Source: SIRCA, Choice Institutional Equities

Report Structure

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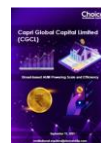
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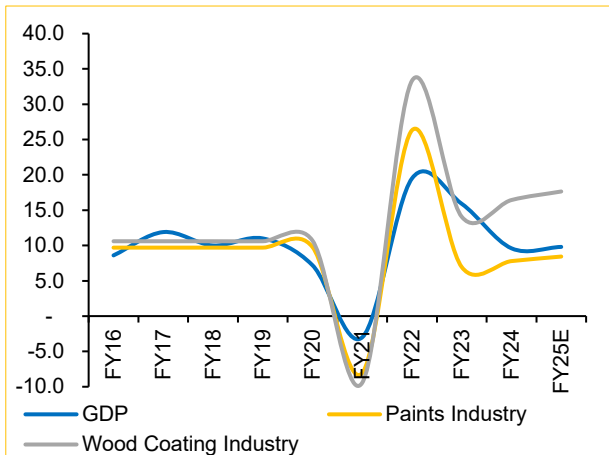
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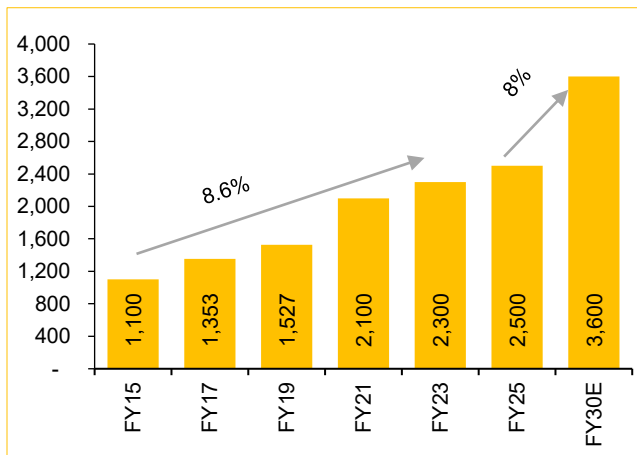
Investment Thesis in Charts

Paints and Wood Coating industry growth well correlated with GDP growth (%)



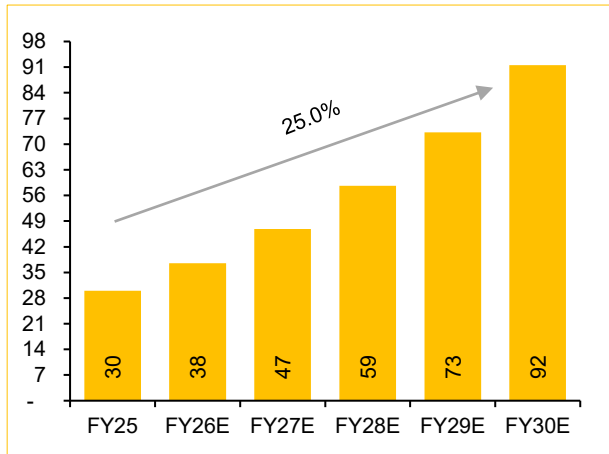
Source: SIRCA, Choice Institutional Equities

India's Furniture market to grow at 8% CAGR (INR Bn)



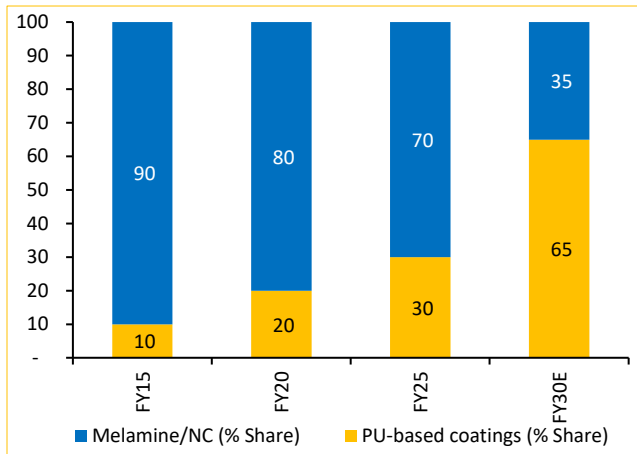
Source: SIRCA, Choice Institutional Equities

PU segment anticipated to grow at a 25% CAGR over (FY25-30E) (INR Bn)



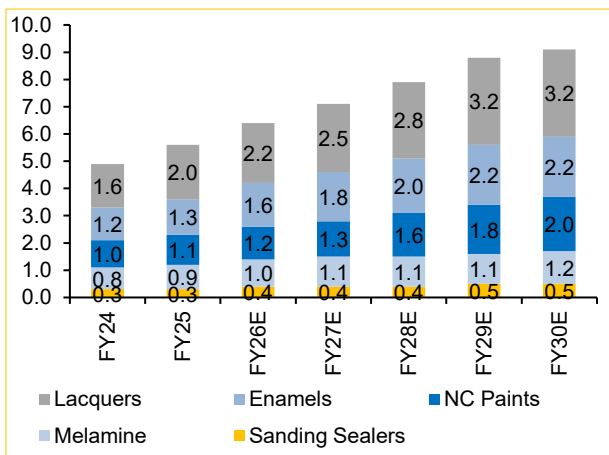
Source: SIRCA, Choice Institutional Equities

Transition expected from Melamine to PU based (%)



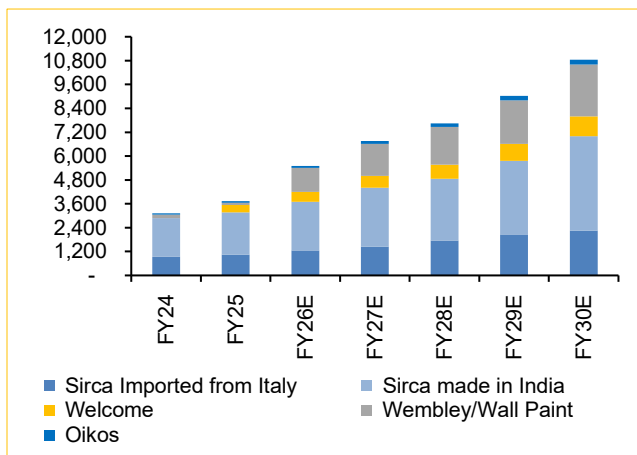
Source: SIRCA, Choice Institutional Equities

Total market size of newly acquired products to grow at 10% CAGR over FY25-FY30E (INR Bn)



Source: SIRCA, Choice Institutional Equities

SIRCA's revenue share evolution – increasing share from acquisitions (INR Mn)



Source: SIRCA, Choice Institutional Equities

I. Structural Growth Story of Premium Wood Coatings Market in India (1/4)

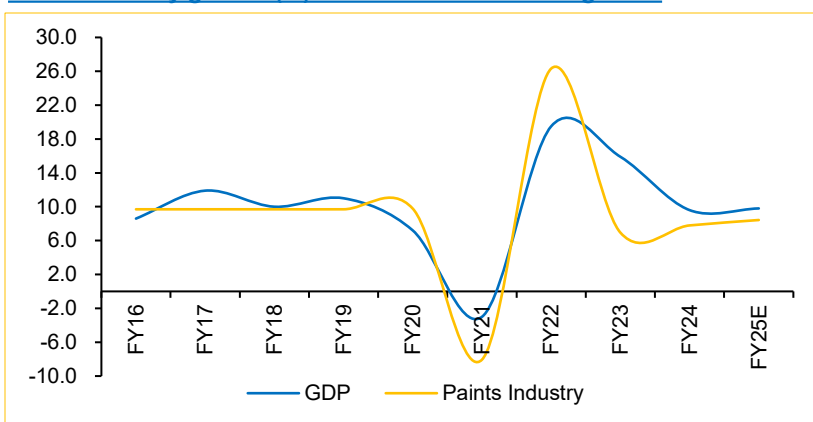
Structural growth story of premium wood coatings in India: We believe, following are the main drivers of growth of the premium coating products and high-quality finishes: a) Overall growth (FY25-30E CAGR of ~9%) of Paints industry which, in turn, is broadly driven by India's GDP growth, given construction, housing, real estate are significant drivers of India's economic growth. b) Domestic furniture manufacturing industry growth and consequent rapid capacity expansion (30+% over next 3 years) by MDF/HDHMR players.

Coating of wooden surfaces / furniture goes hand in hand with home painting in most cases, whether it is new construction or renovation.

- a) **Growth in Paints Demand:** Demand for paints would drive demand for wood coating products, in our view. In case of new construction and renovation, home painting as well as coating of furniture and interiors go hand in hand. Demand for paints is well correlated with GDP growth as construction, housing, real estate are significant drivers of our economic growth. As India's economy grows, so would paint demand and growth in wood coatings is in turn strongly correlated with paints demand growth.

Paints industry growth is well correlated with GDP growth

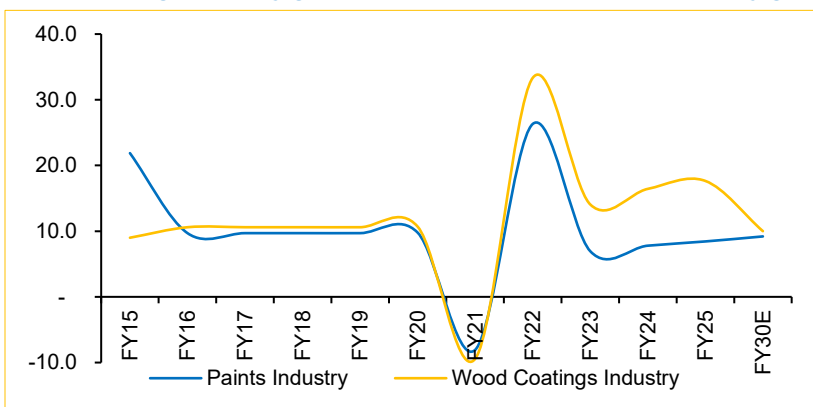
Paints Industry growth (%) is correlated with GDP growth



Source: SIRCA, Choice Institutional Equities

Wood Coatings industry growth is in turn well correlated with Paints industry growth

Wood Coatings industry growth is correlated with Paints industry growth



Source: SIRCA, Choice Institutional Equities

Wood Coatings industry growth would be driven by furniture Industry growth

- b) **Growth in Furniture Industry:** Rapid capacity expansion by MDF/HDHMR players for catering to the growing furniture demand, is driving demand for high-quality wood finishes and will continue to do so. Apart from BIS regulations that restrict low quality Chinese imports from Feb 2026, domestic furniture manufacturing growth would also be driven by the demand for modular, space-saving and eco-friendly furniture, along with real estate and e-commerce momentum.

I. Structural Growth Story of Premium Wood Coatings Market in India (2/4)

I. a) Paints industry is expected to grow at a CAGR of ~9% and drive Wood Coatings industry growth too

Paints industry grew at a lever of 1x to nominal GDP growth over FY15-25

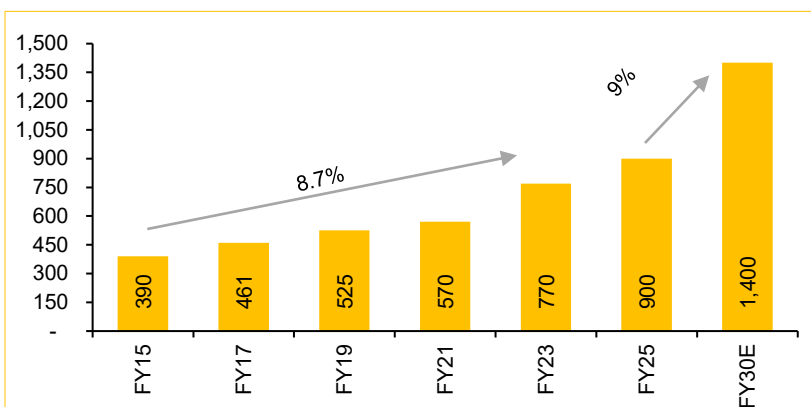
Increasing consumer preference for aesthetic and premium finishes would drive demand for decorative paints as well as wood coatings

We expect Paints industry to grow at a CAGR of ~9%

The Paint industry in India is estimated to be worth ~INR 900Bn as of FY25 and is projected to grow along with growth in GDP. Demand for paints is correlated with GDP growth as construction, housing, real estate are significant drivers of our economic growth. Paints market is primarily divided into decorative paints, accounting for ~INR 675Bn, and industrial paints, contributing the remainder. Paint industry growth has been well correlated with GDP growth. Between FY15 and FY25, paint industry grew at a lever of ~1x of GDP growth. We expect paint industry growth to continue to trend along with GDP growth at the historical lever.

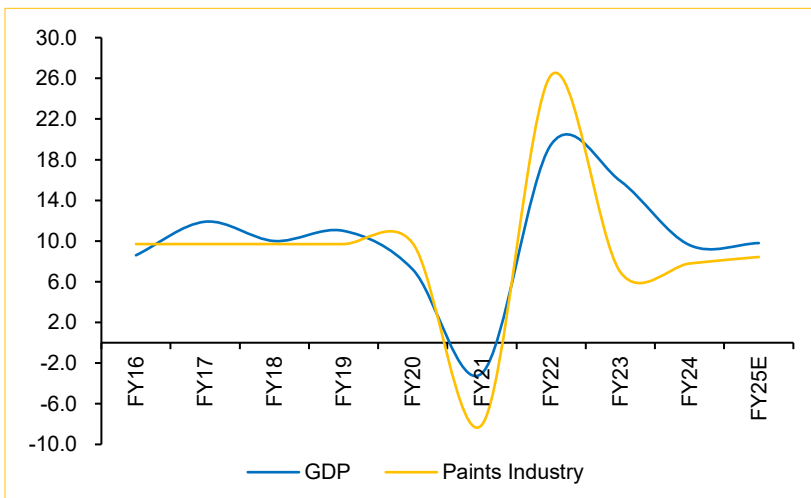
Growth in the Paints industry drives demand for wood coatings: As consumers increasingly shift towards aesthetic upgrades, premium finishes and surface durability, decorative paints – including interior emulsions, textures and wood coatings, such as PU and melamine see traction. Rising disposable incomes, urban lifestyle aspirations and awareness of eco-friendly, low-VOC formulations are driving premiumisation within the paint category, directly benefiting decorative and wood finish segments. This trend not only improves volume but also enhances product mix and profitability for paint & wood coating companies, in our view.

Indian Paints industry expected to grow at a CAGR of 9% (INR Bn)



Source: SIRCA, Choice Institutional Equities

Paints Industry growth (%) is correlated with GDP growth



Source: SIRCA, Choice Institutional Equities

I. Structural Growth Story of Premium Wood Coatings Market in India (3/4)

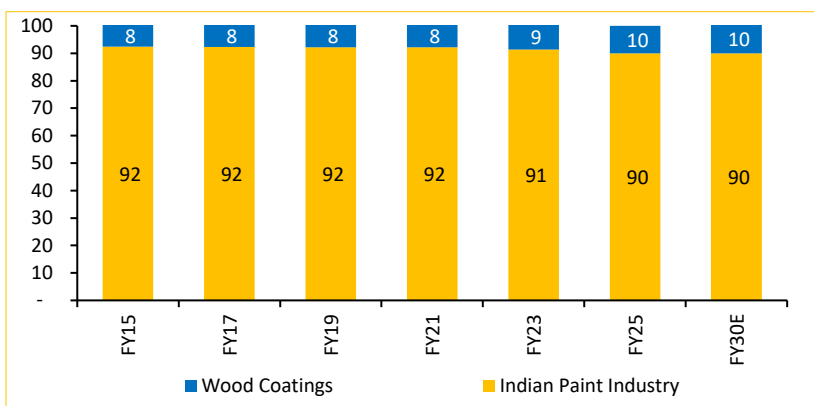
The Wood Coatings market grew at 1.4 times the growth rate of the Paints industry over FY20–25

Wood Coating market anticipated to grow by 10% CAGR

The wood coatings market in India is estimated at INR 80–100Bn in FY25, accounting for around 15% of the decorative paint industry. It is expected to grow along with the demand growth of paints industry. Wood coating industry grew by 11.2% over FY20 to FY25 while the paints industry expanded by 7.7% over the same period, which implies a lever of ~1.4x. This implies that it is not unreasonable to expect the wood coatings industry to grow by ~10% over FY25–FY30E, assuming a nominal GDP growth rate of 9-10% p.a. and paints demand growth rate of ~9% p.a.

Wood Coatings segment accounts for ~10% share of Decorative Paint Industry (%)

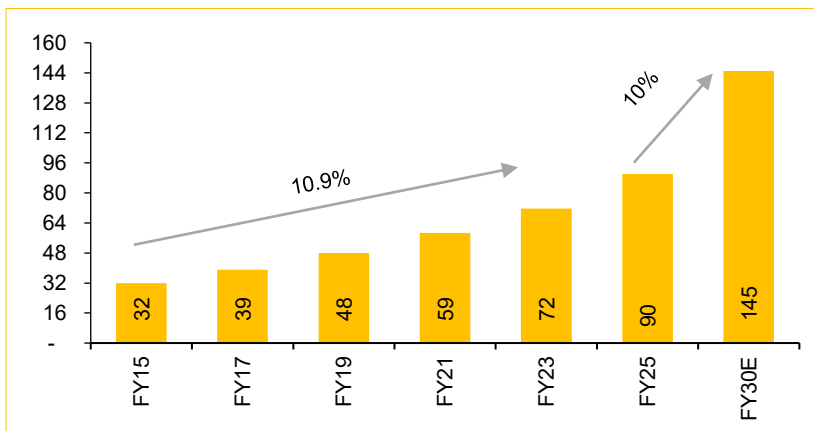
Wood Coating industry forms ~10% of Paints industry



Source: SIRCA, Choice Institutional Equities

We forecast 10% CAGR over FY25-30E for Wood Coatings industry

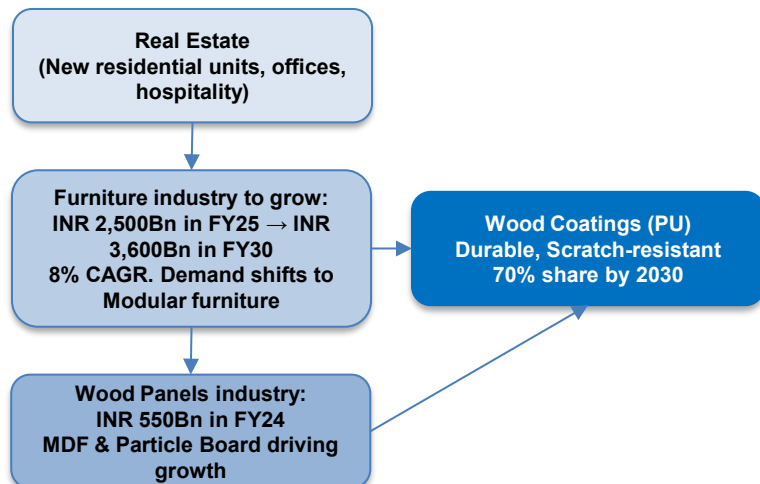
Wood Coating industry to grow at a CAGR of 10% over FY25-30E



Source: SIRCA, Choice Institutional Equities

I. Structural Growth Story of Premium Wood Coatings Market in India (4/4)

I. b) Growth in Furniture Industry: Domestic furniture manufacturing momentum and capacity expansion by MDF/HDHMR players will drive demand for high-quality Wood Coatings



- Expansion in India's Real Estate sector fuels furniture demand, especially modular and space-efficient designs.

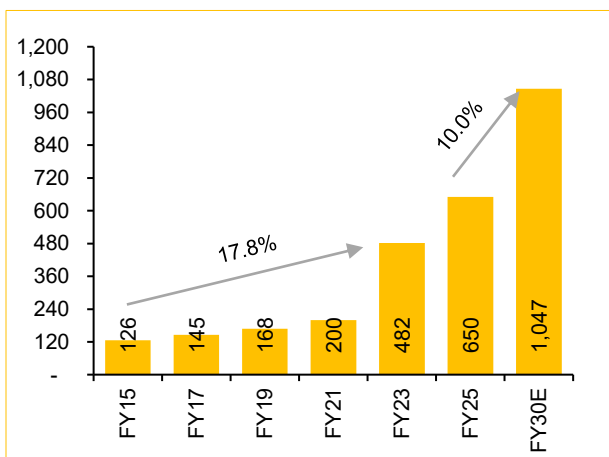
- The furniture market, valued at INR 2,500Bn in 2025, is projected to reach INR 3,600Bn by 2030 at 8% CAGR.

- The wood panel industry, led by MDF and particle board, is expected to grow at 9% CAGR, driven by engineered wood adoption in the furniture, fittings, fixtures areas.

- Rising use of engineered wood drives PU wood coatings demand for their durability, scratch resistance, and factory-friendly application.

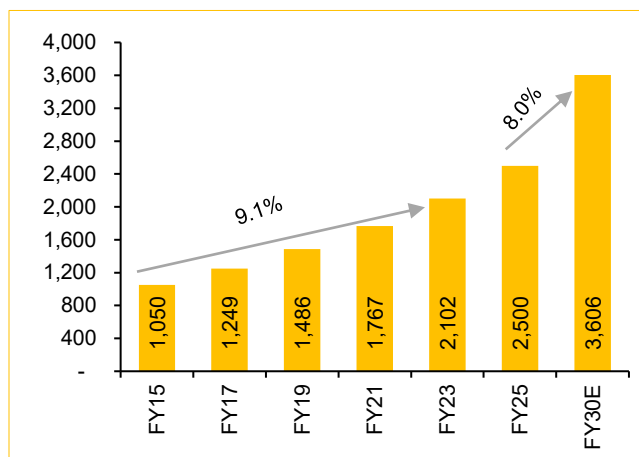
Source: SIRCA, Industry data, Choice Institutional Equities

India's Real Estate sector is expected to grow at a CAGR of 10% (USD Bn)



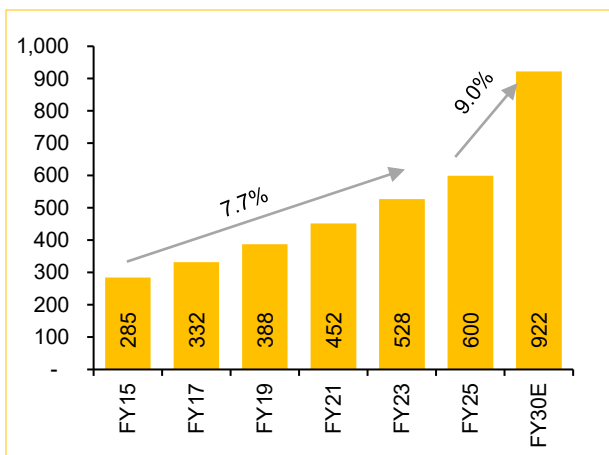
Source: SIRCA, Choice Institutional Equities

India's Furniture industry to grow at 8% CAGR (INR Bn)



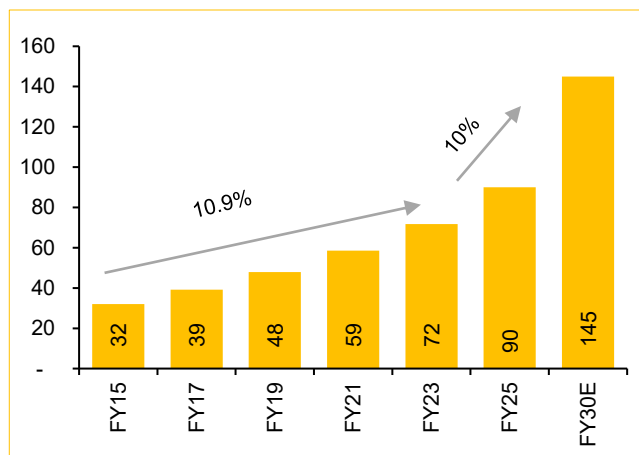
Source: SIRCA, Choice Institutional Equities

India's Wood Panel Industry to grow at 9% CAGR (INR Bn)



Source: SIRCA, Choice Institutional Equities

Wood Coating industry expected to grow at a CAGR of 10% (INR Bn)



Source: SIRCA, Choice Institutional Equities

II. Melamine Replacement Would Accelerate PU Demand

Melamine replacement would accelerate PU demand: We believe there is a structural shift in India's Wood Coatings market, from formaldehyde based Melamine (INR 30-35Bn market size as of FY25) which is carcinogenic to PU based products which are considered much safer. Transition to PU is also backed by increasing adoption of MDF in the furniture industry as Melamine struggles with adhesion on engineered materials. Additionally, once architect driven, PU coatings, are increasingly becoming mainstream retail products. While we expect overall Wood Coatings demand to increase at a 10% CAGR over FY25-30E, we expect PU based segment to grow at a faster rate of 25% due to these dynamics. SIRCA by virtue of its strong presence in high quality PU based wood coatings, would be a key beneficiary of this shift away from Melamine.

Structural shift underway in India's Wood Coatings market. Melamine is being replaced by PU based coatings due to health hazards of Melamine and better core quality attributes and safety of PU.

PU ranks better than Melamine not only on health parameters but also on other attributes like durability, finishing quality etc.

*FY25-30E growth (CAGR) forecasts:
Wood Coatings industry: 10%
PU-based coatings: 25%*

PU based coatings rank better than Melamine on various aspects

Particulars	PU (Polyurethane)	Melamine
Health hazard	No: Safe	Yes: Carcinogenic
Cost	High (premium)	Low (budget-friendly)
Durability	High	Moderate
Scratch resistance	High	Low
Water/Heat proof	Excellent	Poor
Finishing	Deep gloss, Luxury look	Basic gloss/matte
Application	Skilled applicators, longer curing	Easy, faster curing
Lifespan	8–10+ years	3–5 years
Market	Premium furniture, modular kitchens, urban metros	Mass-market carpentry, Tier II/III cities

Source: SIRCA, Choice Institutional Equities

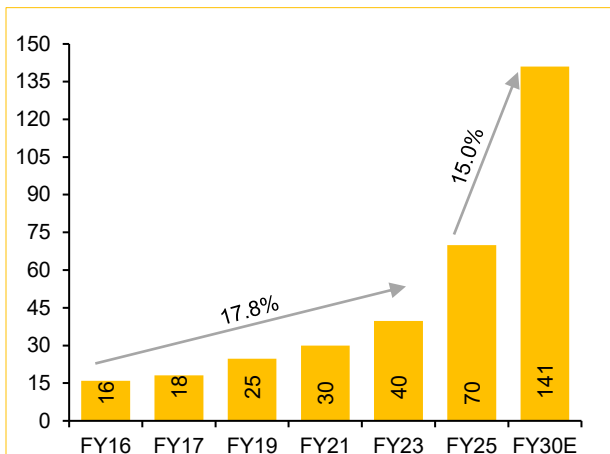
Key highlights of Melamine to PU-based coatings transition story

Timeline / Aspect	Key Insights
2020	Melamine coatings dominant India's wood coating market (~70% share). Melamine is carcinogenic and raw material shortages is also an issue. Melamine market estimated at INR 30-35Bn; being phased out due to carcinogenic risks and raw material shortages.
Modern furniture trends	Modular furniture increasingly uses MDF & particle boards; Melamine struggles with adhesion & slow drying, while PU/UV coatings perform better.
Consumer trend	PU coatings expand from architect-driven projects to mainstream retail, enabling broader adoption.
PU shift to pick-up	PU-based coatings are safer and higher quality, have better adhesion and finishing. Major OEMs and brands (IKEA, Livspace, Durian, Godrej Interio) voluntarily move to PU.
Market growth projection (FY25–30E)	Overall wood coatings industry is expected to grow at ~10% p.a.; PU segment expected to grow at ~25% CAGR due to Melamine to PU shift.
Future market share (2030)	PU & hybrid coatings expected to reach 70% of the market, reshaping the value chain.

Source: SIRCA, Choice Institutional Equities

II. Melamine Replacement Would Drive PU Demand

MDF industry projected to grow at 15% CAGR over FY25 to FY33E (INR Bn)



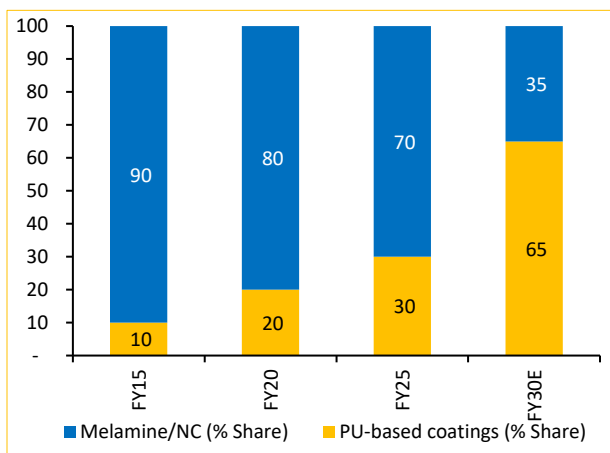
Source: SIRCA, Choice Institutional Equities

Strong MDF capacity addition plans by companies

Capacity Expansion (CBM)	FY22	FY25	FY27E
Action Tesa	4,20,000	6,60,000	7,50,000
Greenpanel	6,60,000	8,91,000	8,91,000
Centuryply	1,98,000	5,61,000	6,27,000
Rushil Décor	3,30,000	3,30,000	3,30,000
Greenply		2,40,000	3,00,000

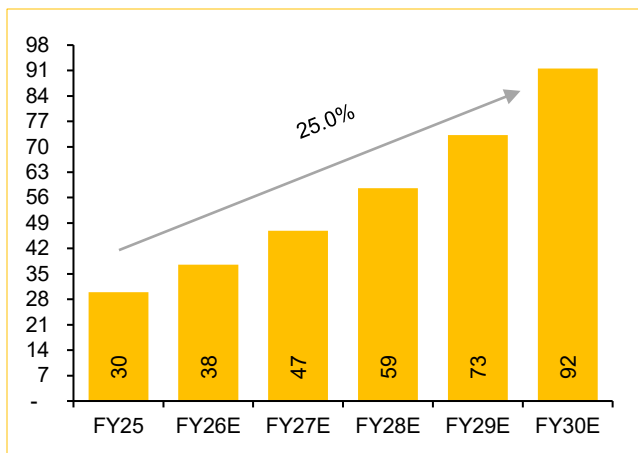
Source: SIRCA, Choice Institutional Equities

Melamine to PU transition: PU to dominate by FY30E



Source: SIRCA, Choice Institutional Equities

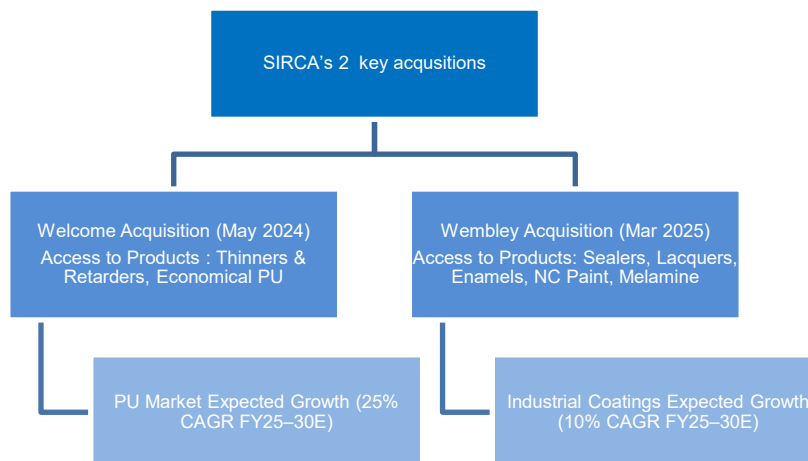
PU segment anticipated to grow at a 25% CAGR over (FY25--30E) (INR Bn)



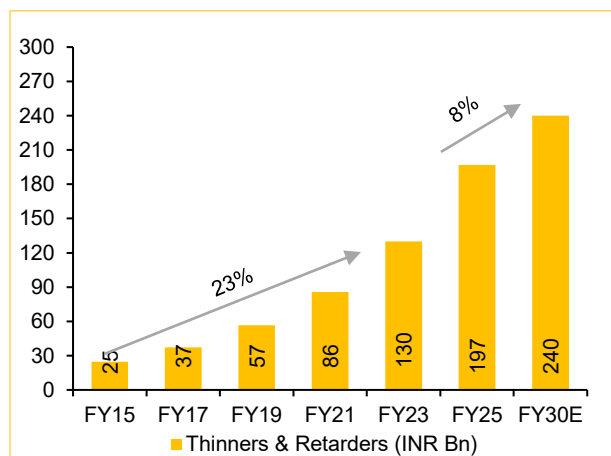
Source: SIRCA, Choice Institutional Equities

III. Strategic Acquisitions Would Expand Product Portfolio Breadth and Deepen Market Reach(1/1)

Strategic acquisitions would expand product portfolio breadth and deepen market reach: SIRCA's recent strategic acquisitions (Welcome, Wembley) expand its product portfolio breadth and customer base. Welcome and Wembley acquisitions broad base SIRCA's presence in the wood coatings value chain into thinners, sanding sealers, enamels etc.

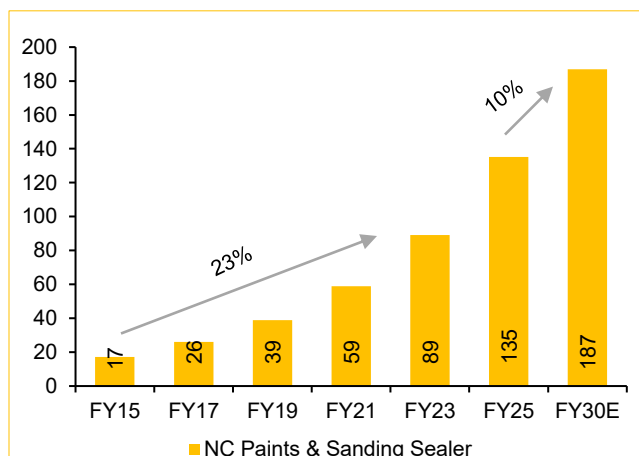


Thinners & Retarders segment is expected to grow at a CAGR of 10% (INR Bn)



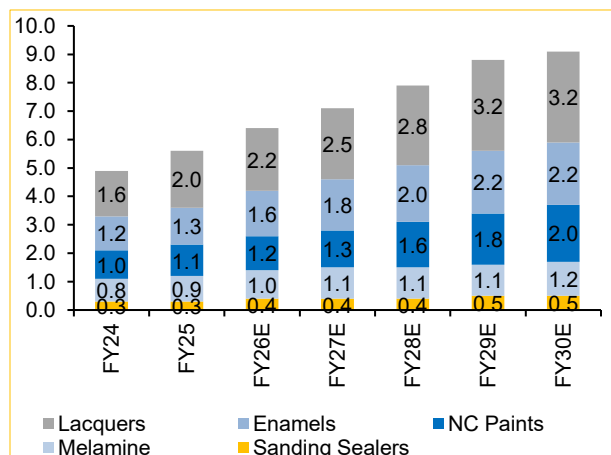
Source: SIRCA, Choice Institutional Equities

NC Paints & Sealers segment is expected to grow at a CAGR of 10% (INR Bn)



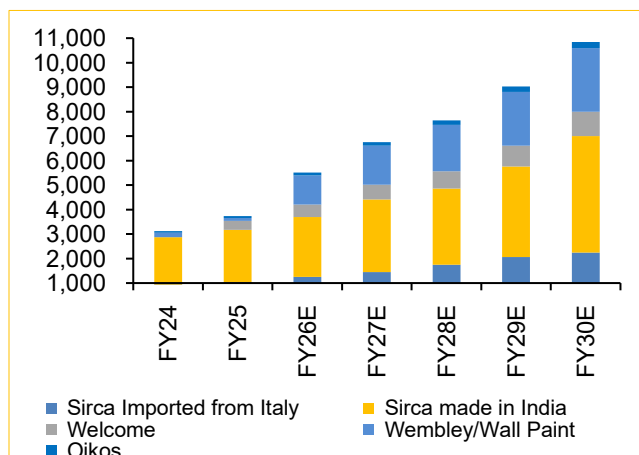
Source: SIRCA, Choice Institutional Equities

Market size of newly-acquired products to grow by 10% over FY25—FY30E (INR Mn)



Source: SIRCA, Choice Institutional Equities

Revenue share evolution – increasing share from acquisitions (INR Mn)



Source: SIRCA, Choice Institutional Equities

Key Investor Questions Answered

SIRCA is well positioned in the market place with the right combination of 1) product quality, 2) pricing, 3) brand and 4) distribution network

Employee cost as a % of sales to has peaked

Inventory days are expected to come down as share of domestic production gradually increases

SIRCA would benefit from Melamine to PU replacement demand

1. Who are the key competitors of SIRCA in the Wood Coatings industry in India? How are SIRCA's products positioned?

SIRCA faces competition from several players in India as we summarize in the table below. We rank each of the competitors on pricing and distribution network. SIRCA is well positioned to compete in the market place with the right combination of 1) product quality, 2) pricing, 3) brand and 4) distribution network.

Sr No.	Competitor	Pricing*	Distribution Reach*
1	Asian Paints	10	10
2	Berger Paints	9	8
3	AkzoNobel	8	8
4	Nippon Paints	8	6
5	ICA Pidilite	7	8
6	SIRCA	5	8
7	Sherwin-Williams	5	4
8	Jotun Paints	4	5
9	Milesi/Renner	4	8

*On a scale of 1-10 (low to high)

Source: SIRCA, CIE, Channel Checks.

2. SIRCA's FY20-25 Revenue CAGR is 40%, yet its employee cost at 11.6% of sales has been gradually increasing from 10.3% in FY21 to FY25, what explains this?

SIRCA's key market has been North India which accounts for nearly 70% of its revenue share, with the rest 30% coming from rest of India (FY25). SIRCA has doubled its employee head count over the last few years and increased its depots from 15 to 26. This should help in establishing its brand and deepening its distribution network and product presence which would drive a revenue CAGR of 24% over FY25-30E, while the employee costs will only increase by wage growth during this period. As a result, employee cost as a % of sales would stabilise.

3. SIRCA's FY25 inventory days at 105 is high, will it come down?

Geo-political tensions (multiple wars ongoing) have been causing shipment delays for SIRCA. SIRCA is also in the process of transitioning to domestic manufacturing away from direct imports from Italy. Management is confident of being able bring down inventory substantially over the next 12-18 months.

4. The broad drivers of growth for Paints Industry and Wood Coatings Industry are similar. Why should investors consider an investment in SIRCA which is under covered? Is it not easier to get the desired exposure from an investment in a well covered and established Paints company?

Although, the broad drivers for both the industries are overlapping, there are nuances which we need to consider. Within the wood coatings product value chain, we expect gradual replacement of Melamine with PU-based products. SIRCA specializes in PU based products and would be a key beneficiary of this replacement demand. Additionally, Paints companies in India are well researched, trade at expensive valuations.

5. Despite having significant borrowing potential, why has SIRCA gone ahead and raised capital via the equity route in Sep 2025?

SIRCA's Net Debt:Equity ratio at 0.1x is quite modest and leaves significant scope for mobilizing money through the debt route. However, due to the conservative nature of SIRCA's management they have chosen to raise the recent INR 760Mn by way of preferential issue.

Investment Thesis: Assumptions and Valuation (1/4)

Assumptions

Revenue mix (product-wise) (INR Mn): Welcome and Wembley's contribution to increase gradually

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
SIRCA imported from Italy	940	1,040	1,250	1,450	1,750
YoY (%)		10.6	20.2	16.0	20.7
SIRCA made in India	1,935	2,127	2,450	2,960	3,110
YoY (%)		9.9	15.2	20.8	5.1
Welcome		371	500	600	700
YoY (%)			34.8	20.0	16.7
Wembley/Wall Paint	186	120	1,200	1,600	1,900
YoY (%)				33.3	18.8
Oikos	56	83	110	150	180
YoY (%)		47.5	33.2	36.4	20.0
Company Level	3,117	3,740	5,510	6,760	7,640

Source: SIRCA, Choice Institutional Equities

Key Financial s P&L (INR Mn): EBITDA Margins expected to be in 18-19% range

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,117	3,740	5,510	6,760	7,640
YoY (%)	16.4%	20.0%	47.3%	22.7%	13.0%
EBITDA	687	674	992	1,224	1,413
EBITDAM (%)	22.0%	18.0%	18.0%	18.1%	18.5%
PAT	514	491	675	907	1,084

Source: SIRCA, Choice Institutional Equities

Key return metrics & working capital (INR Mn): Lower inventory days ahead to pull down working capital

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
ROE (%)	17.9	14.9	16.2	17.3	17.6
ROCE (%)	17.9	13.9	15.3	16.4	16.8
Debtor days	112	105	90	88	85
Inventory days	77	91	80	78	75
Creditors days	38	38	38	42	42
Operating Cycle	150	159	132	124	118

Source: SIRCA, Choice Institutional Equities

Investment Thesis: Assumptions and Valuation (2/4)

Valuation Discussion

Discounted Cash Flow (INR Mn)	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
NOPAT	687	856	999	1,210	1,458	1,614	1,788	1,980	2,194	2,430
Add: Depreciation/Amortization	75	82	82	85	90	96	103	109	116	122
Changes in Working Capital	(170)	(193)	(146)	(116)	(127)	122	170	227	293	370
Capex	-102	-102	-92	-92	-92	-92	-92	-92	-92	-92
Free CashFlow to Firm (FCFF)	491	643	842	1,086	1,328	1,740	1,968	2,224	2,510	2,830
Growth (%)		31%	31%	29%	22%	31%	13%	13%	13%	13%

PV of Free cash flow	8,506
End of period Terminal Value	65,882
PV of Terminal value (INR Mn)	25,356
Value of Firm (INR Mn)	33,862
Less : Net debt (INR Mn)	-1,186
Equity Value (INR Mn)	35,048
No. of shares (Nos)	57
Fair Value per share/Target Price (INR)	625
CMP (INR)	501
Terminal Growth Rate (%)	6.0%
WACC	
Long Term Market Return (%)	11.8%
Risk Free Rate (%)	6.3%
Stock Beta (x)	0.80
Cost of Equity (%)	10.7%
Pre-tax Cost of Debt (%)	9.0%
Tax Rate (%)	25.1%
Post-tax cost of debt (%)	6.7%
Market Value of Equity (INR Mn)	28,453
Debt (INR Mn)	502
Weighted Average Cost of Capital (%)	9.8%

Implied PE Multiple	FY28E
EPS FY28E (INR/sh)	19.1
DCF based TP (INR/sh)	625
Implied PE Multiple (x)	32.7

Valuation

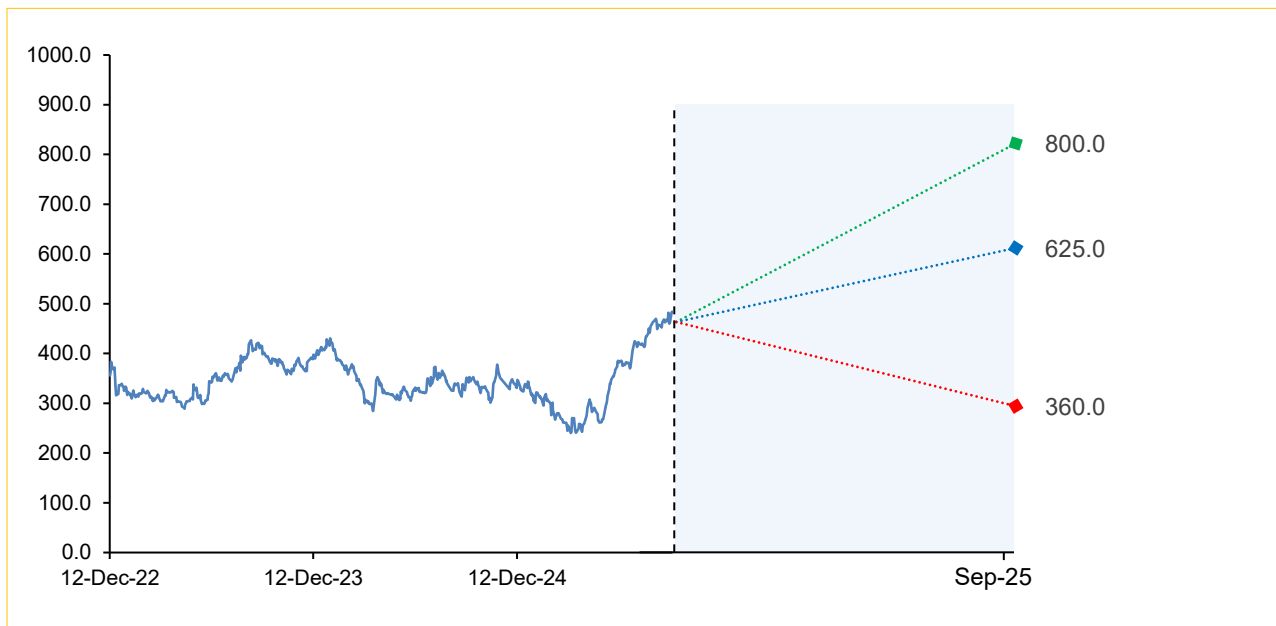
We believe SIRCA has a long runway of opportunity as high quality PU-based wood coatings market in India is a structural growth story. Under these circumstances, we believe, the DCF-based approach is a suitable way to value SIRCA. In our DCF model we have 5 yrs of explicit forecasts until FY30E, a terminal growth rate of 6% and WACC of 9.8%. We arrive at a TP of INR 625/sh.

We did a sanity check of our DCF-based TP of INR 625/sh using FY28E PE multiple which is ~33x and reasonable in our view, given SIRCA's business fundamentals we discussed in the note.

Source: SIRCA, Choice Institutional Equities

Investment Thesis: Assumptions and Valuation (3/4)

Valuation Scenarios: Bull (Upside)/Bear (Downside) Cases



UPSIDE CASE Assumptions

INR 800
59.0% Upside



- Volume growth assumptions of 33% CAGR over FY25-28E
- Realisation growth assumption of 2%/1%/1% over FY26/27/28E
- EBITDA margin in the 18-18.5% range over FY25-28E
- DCF terminal year growth of 6%

BASE CASE Assumptions

INR 625
24.2% Upside



- Volume growth assumptions of 25% CAGR over FY25-28E
- Realisation growth assumption of 2%/1%/1% over FY26/27/28E
- EBITDA margins in the range 18-18.5% over FY25-28E
- DCF terminal year growth of 6%

BEAR CASE Assumptions

INR 360
28.4% Downside



- Volume growth assumptions of 23% CAGR over FY25-28E
- Realisation growth assumption of 2%/1%/1% over FY26/27/28E
- EBITDA margins in the range 18-18.5% over FY25-28E
- DCF terminal year growth of 3%

Investment Thesis: Assumptions and Valuation (4/4)

Peer Comparison (SIRCA Vs. Peers)

Company	CMP (INR)	Mcap (INR Bn)	EV (INR Bn)	FY27E PE (x)	FY27E EV/EBITDA (x)	Revenue CAGR (FY25-28E) (%)	EBITDA CAGR (FY25-28E) (%)	PAT CAGR (FY25-28E) (%)	TTM EBITDA Margin (%)	FY25 RoE (%)	FY25 RoCE (%)
SIRCA	501	28.5	29.0	31.4	21.8	26.9	28.0	30.0	18.0	14.0	15.1
Pidilite Industries Ltd	1,489	1,515.9	1,517.1	55.6	39.9	11.2	12.5	14.0	22.9	23.0	29.8
Asian Paints Ltd	2,448	2,347.6	2,362.7	48.1	32.8	7.7	9.0	9.9	17.8	20.6	25.7
Berger Paints India Ltd	533	621.5	623.2	42.9	27.5	9.0	10.0	10.4	16.1	20.3	24.9
Kansai Nerolac Paints Ltd	248	199.8	199.9	25.1	17.1	7.8	10.5	-5.5	12.0	10.4	13.0
Indigo Paints Ltd	1,103	52.6	52.4	28.9	17.7	8.8	5.2	5.2	17.4	14.6	19.5

Source: SIRCA, Consensus estimate from Factset, Choice Institutional Equities

In the exhibit below we compare the financials of SIRCA and its competitor ICA Pidilite. Key highlights as below:

- Over FY22-25 SIRCA has grown faster than ICA Pidilite
- SIRCA's Gross Profit Margin has been consistently higher than ICA Pidilite
- SIRCA's EBITDA margin has been consistently higher than ICA Pidilite

SIRCA (INR Mn)

Particulars	FY22	FY23	FY24	FY25
Revenue	2,000	2,677	3,117	3,740
Growth %	39.7	33.9	16.4	20.0
Gross Profit	827	1,203	1,429	1,745
GP Margin (%)	41.3	44.9	45.8	46.7
EBITDA	378	617	687	674
Growth %	208.3	63.4	11.3	(1.8)
EBITDA Margin (%)	18.9	23.0	22.0	18.0
Depreciation	41	44	60	70
EBIT	336	573	627	605
Other Income	44	48	64	52
Interest Expense	1	0	0	2
PBT	379	621	691	655
PAT	277	461	514	491
Growth %	67.2	66.3	11.6	(4.6)

Source: SIRCA, Choice Institutional Equities

ICA Pidilite (INR Mn)

Particulars	FY22	FY23	FY24	FY25
Revenue	2,721	3,513	3,905	3,727
Growth %	NA	29.1	11.2	(4.6)
Gross Profit	1,068	1,551	1,846	1,762
GP Margin (%)	39.3	44.2	47.3	47.3
EBITDA	410	646	750	617
Growth %	NA	57.6	16.1	(17.6)
EBITDA Margin (%)	15.1	18.4	19.2	16.6
Depreciation	227	232	250	270
EBIT	183	414	500	348
Other Income	12	31	68	61
Interest Expense	33	6	10	10
PBT	163	439	558	398
PAT	115	329	418	294
Growth %	NA	185.9	27.2	(29.6)

Source: ICA, Choice Institutional Equities

Investment Thesis: Financials

Income Statement (Consolidated in INR Mn)

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,117	3,740	5,510	6,760	7,640
Gross Profit	1,429	1,745	2,571	3,252	3,740
EBITDA	687	674	992	1,224	1,413
Depreciation	60	70	75	82	82
EBIT	627	605	916	1,141	1,332
Other Income	64	52	38	118	161
Interest Expense	0	2	54	50	47
PBT	691	655	900	1,210	1,446
PAT	514	491	675	907	1,084
EPS	9.4	9.0	11.9	16.0	19.1

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenues	16.4	20.0	47.3	22.7	13.0
Gross Profit	18.8	22.1	47.3	26.5	15.0
EBITDA	11.3	-1.8	47.1	23.4	15.5
PAT	11.6	-4.6	37.6	34.4	19.5
Margins (%)					
Gross Profit Margin	45.8	46.7	46.7	48.1	48.9
EBITDA Margin	22.0	18.0	18.0	18.1	18.5
Tax Rate	25.5	25.1	25.0	25.0	25.0
PAT Margin	16.2	12.9	12.2	13.2	13.9
Profitability (%)					
Return On Equity (ROE)	16.7	14.0	14.0	16.0	16.3
Return On Invested Capital (ROIC)	22.1	14.2	18.5	23.5	27.0
Return On Capital Employed (ROCE)	20.3	15.1	17.2	18.5	18.6
Financial leverage (x)					
OCF/EBITDA	0.8	1.0	0.9	0.9	1.0
OCF / Net Profit	1.1	1.4	1.3	1.3	1.3
Debt to Equity	-	0.1	0.1	0.1	0.1
Working Capital (x)					
Inventory Days	112	105	90	88	85
Receivable Days	77	91	80	78	75
Creditor Days	38	38	38	42	42
Working Capital Days	150	159	132	124	118
Valuation Metrics					
No of Shares (Mn)	54.8	54.8	56.8	56.8	56.8
EPS (INR)	9.4	9.0	11.9	16.0	19.1
Market Cap (INR Mn)	20,882	27,459	28,453	28,453	28,453
PE	40.6	56.0	42.1	31.4	26.2
P/BV	6.8	7.9	5.9	5.0	4.3
EV/EBITDA	29.4	40.7	27.5	21.8	18.3
EV/Sales	6.5	7.3	4.9	3.9	3.4

Balance Sheet (Consolidated in INR Mn)

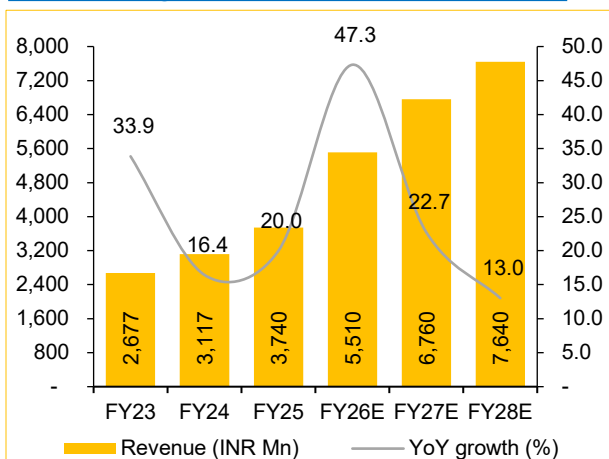
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net worth	3,087	3,496	4,839	5,661	6,660
Total debt	0	502	502	502	502
Other liabilities & provisions	0	5	5	5	5
Total Net Worth & liabilities	3,087	4,003	5,346	6,168	7,167
Net Fixed Assets	530	568	594	614	625
Capital Work in progress	58	2	2	2	2
Intangible	53	1,067	1,067	1,067	1,067
Investments	0	20	20	20	20
Other Non current asset	33	83	83	83	83
Cash & bank balance	697	542	1,688	2,297	3,139
Net Current Assets	2,413	2,263	3,579	4,381	5,369
Total Assets	3,087	4,003	5,346	6,168	7,167

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows From Operations	548	706	860	1,149	1,428
Cash Flows From Investing	-100	-1,068	-102	-102	-92
Cash Flows From Financing	320	-525	533	744	975

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden	74.5%	74.9%	75.0%	75.0%	75.0%
Interest Burden	110.1%	108.2%	98.2%	106.0%	108.5%
EBIT Margin	20.1	16.2	16.6	16.9	17.4
Asset Turnover	1.0	0.9	1.0	1.1	1.1
Equity Multiplier	1.0	1.1	1.1	1.1	1.1
ROE	16.7	14.0	14.0	16.0	16.3

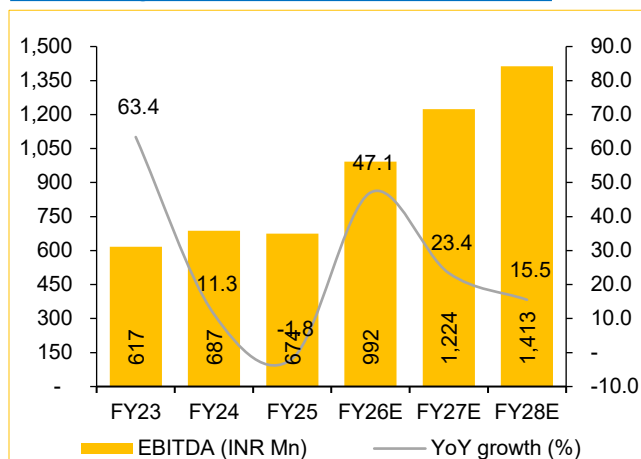
Investment Thesis: Annual Charts

Revenues to grow at a 27% CAGR over FY25-28E



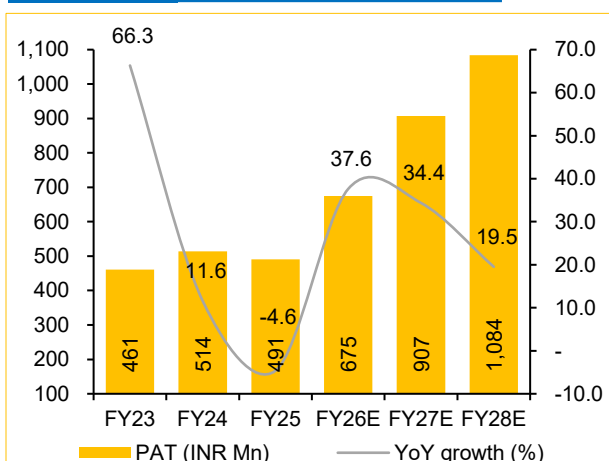
Source: SIRCA, Choice Institutional Equities

EBITDA to grow at a 28% CAGR over FY25-28E



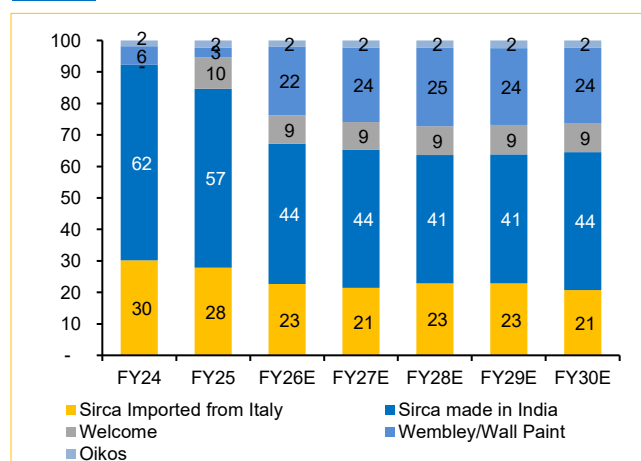
Source: SIRCA, Choice Institutional Equities

PAT to grow at a 30% CAGR over FY25-28E



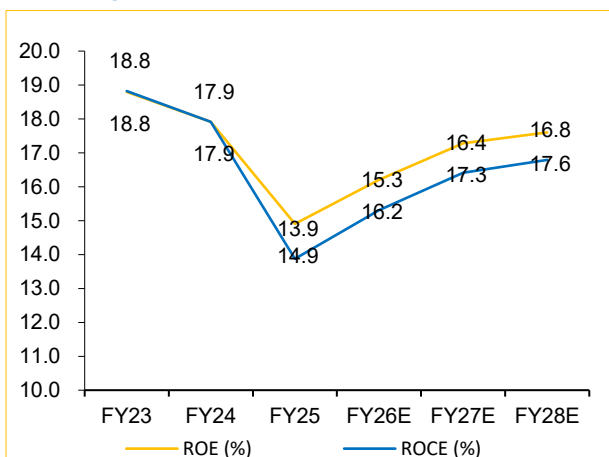
Source: SIRCA, Choice Institutional Equities

Revenue Mix (%) - share of imported products to decline



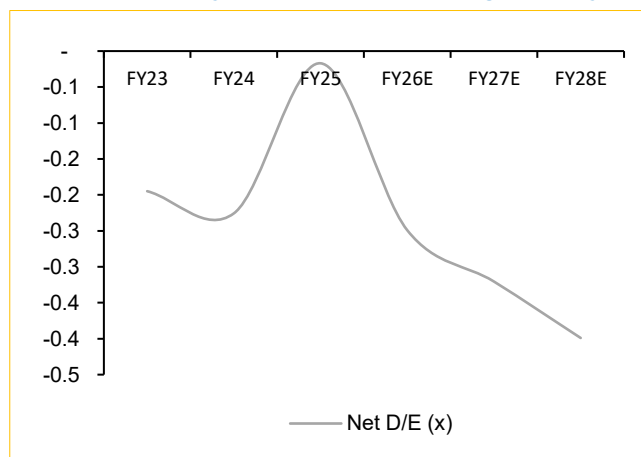
Source: SIRCA, Choice Institutional Equities

Improving ROE and ROCE Trends



Source: SIRCA, Choice Institutional Equities

Net debt to Equity expected to decline significantly



Source: SIRCA, Choice Institutional Equities

SIRCA – Understanding the Company and Business

About The Company: Core Business

SIRCA is recognized as a market leader in premium wood coatings industry in North India, which accounts for 70% of its sales. It is among the top 3 premium wood coating brands nationally, with 85% of its revenue coming from wood coatings. The company holds a significant market share of about 28% in the coating side in Delhi NCR, a region which contributes nearly 40-45% of its total sales.

Core Business & Product Portfolio

SIRCA's core strength lies in **premium Italian wood coatings**, alongside a growing presence in decorative and luxury wall paints.

The company's brand portfolio includes both, **in-house brands and exclusive licenced European brands**, targeting a broad spectrum of consumers:

- **SIRCA:** Premium Italian wood, metal and glass coatings (PU, polyester, acrylic, UV products, fillers, special effects) designed for health- and quality-conscious customers.
- **Unico:** Affordable NC and melamine wood coatings and thinners catering to price-sensitive Indian consumers.
- **Oikos (exclusively licensed):** Luxury European wall textures and decorative paints (Low VOC, anti-mould).
- **Welcome (acquired in 2024):** Known for high-quality thinners, retarders, sanding sealers, enamels, lacquers and NC paints. A new thinner brand, **Welcoat**, was also launched under this umbrella to boost thinner/reducer sales.
- **Wembley (acquired in 2025):** Expanded SIRCA's market presence and product range by integrating Wembley's product portfolio, which includes thinners, wall paints, enamels and other coatings.

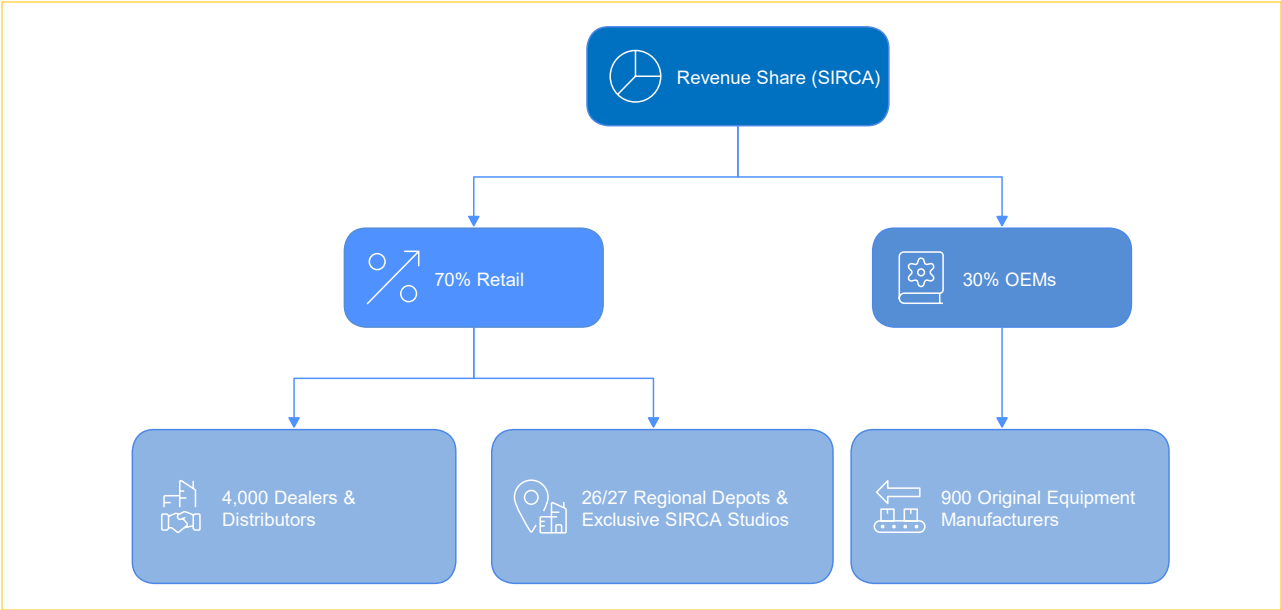
Overall product portfolio spans entry-level to ultra-premium finishes, catering to both retail and OEM segments.

Distribution

Market Presence SIRCA has built a strong pan India presence, with a dominant position in North India particularly the Delhi NCR region, which contributes 40-45% of its total revenue. The company is actively expanding into Eastern, Western, and Southern India to strengthen its national footprint. Its distribution strategy spans both the retail and OEM segments.

In the retail segment (70% of revenue), SIRCA operates through a robust network of over 4,000 dealers and distributors, supported by 26 regional depots. The brand experience is further enhanced by 27 exclusive SIRCA Studios, serving as experiential centers for customers and influencers.

In the OEM segment (30% of revenue), SIRCA supplies high quality products to over 900 Original Equipment Manufacturers, including marquee clients like Godrej & Boyce and Jindal Stainless. Its strong technical collaboration and after sales support make it a preferred partner in the B2B space.



APPENDIX

Key Attributes of Products in the Wood Coating Value Chain & SIRCA's Presence

Product	Cost	Durability	Drying Time	Eco-Friendliness	Typical Usage
Melamine	Low	Moderate	Slow	✗ (Carcinogenic)	Traditional low-cost furniture
Polyurethane (PU)	Medium–High	High	Medium	✓ (Safer)	Premium & modular furniture, OEM
UV-Cured Coatings	High	Very High	Very Fast	✓ ✓ (Low VOC)	Modular panels, industrial furniture
Lacquers	Medium	Moderate	Fast	✗ (Solvent-based)	Decorative finishes, interiors
Enamels	Medium	High	Medium	✗ (Solvent-based)	Industrial wood, colourful finishes
Sanding Sealers	Low	N/A (base coat)	Fast	Neutral	Base coat before topcoats
NC (Nitrocellulose) Paints	Low–Medium	Low–Moderate	Very Fast	✗ (High VOC)	Quick furniture finishes, budget products
Thinners & Reducers	Low	N/A	N/A	✗ (Solvent-heavy)	Dilution of paints/coatings
Stains	Low–Medium	N/A (colouring)	Medium	Neutral	Adds color, retains wood grain
Polishes	Low	Low	Slow–Medium	Neutral	Shine for low-cost/DIY furniture

Product	Key Attributes
Melamine Coatings	Traditional formaldehyde-based coatings; low-cost, moderate durability, but hazardous and being phased out due to carcinogenic risks.
Polyurethane (PU) Coatings	High-performance coatings with superior durability, scratch and chemical resistance, fast drying, used for both premium and economical furniture.
UV-Cured Coatings	Advanced coatings cured by ultraviolet light; very fast drying, highly durable, and eco-friendly, ideal for modular furniture and factory applications.
Lacquers	Quick-drying, transparent or pigmented coatings that give a glossy finish; widely used for decorative furniture and interiors.
Enamels	Opaque, durable coatings that provide color and protective finish; used in both furniture and industrial wood applications.
Sanding Sealers	Base coatings applied before topcoats to fill pores, smoothen the surface, and enhance adhesion of final layers.
NC (Nitrocellulose) Paints	Popular solvent-based coatings; fast drying, easy to apply, provide glossy finish, but lower durability than PU/UV coatings.
Thinners & Reducers	Solvent blends used to adjust viscosity of coatings for spraying or brushing, and for cleaning equipment.
Stains	Penetrating products that add color to wood while allowing natural grain visibility.
Polishes	Traditional finishes that add shine and smoothness, often used for low-cost or DIY furniture applications.

SIRCA: Expanding across the value chain

Brand-wise Pricing						
	Unico		Unico		SIRCA	
India sub-continent	Unico Series	SIRCA OIKOS	Welcome	Unico	SIRCA	SIRCA OIKOS
India						SIRCA OIKOS
	Economic		Entry-level		Luxury	

SIRCA: Strong brand portfolio across segments

Sirca	OIKOS	Unico	Welcome	Wembley
Italian Wood Coating	Colour finishes	Wood coating	Paint thinners	Enamels, NC
Wall Paints	Texture coating		Paint reducers	Wall Paints
				Sanding Sealers, TT
				Clear, Lacquer
Premium/Luxury			Economic/Entry level	

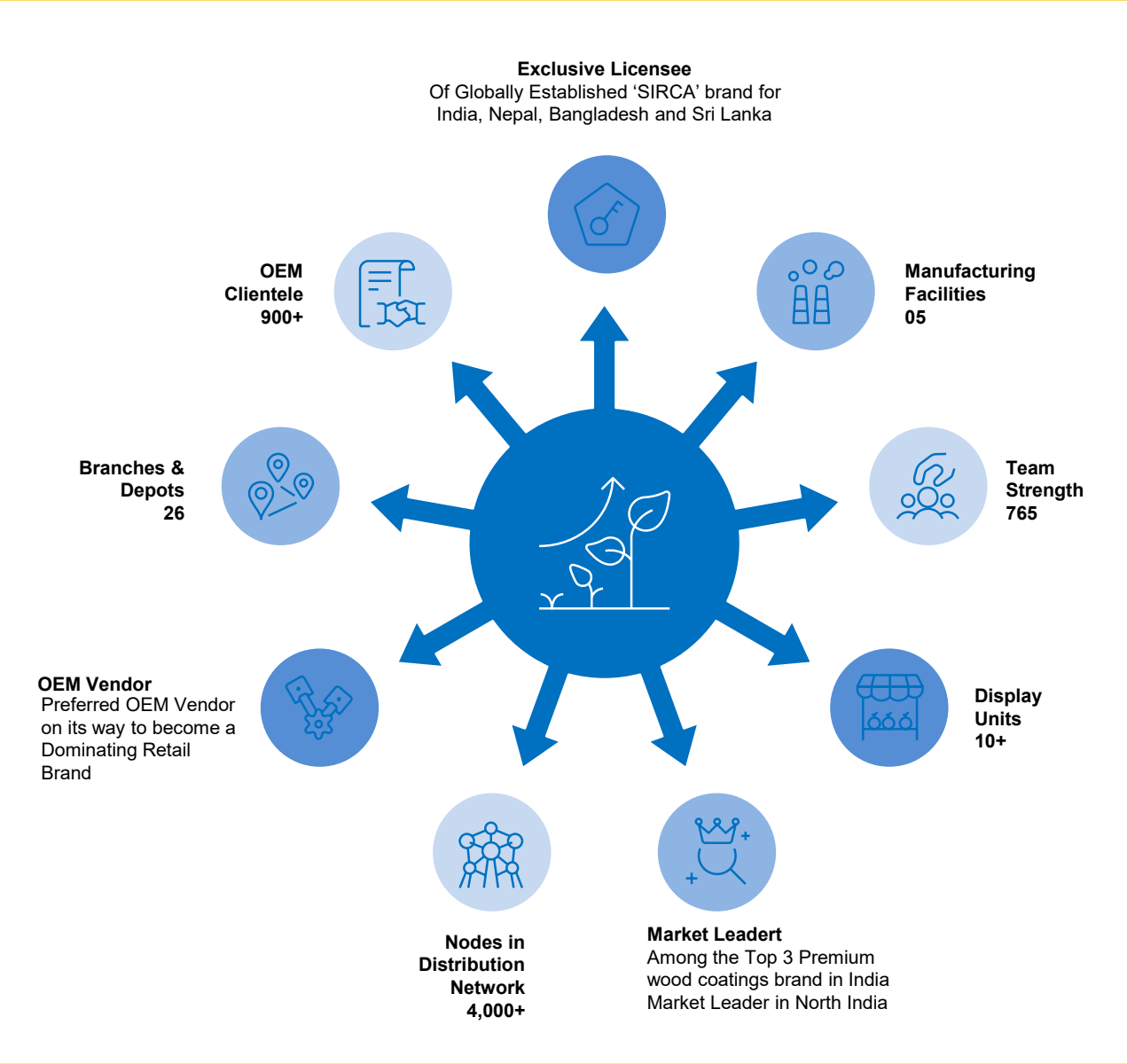
Source: SIRCA, Choice Institutional Equities

SIRCA Leadership Team

Name	Designation	Qualification	Experience
 Sanjay Agarwal	Chairman & MD	CA	Mr. Sanjay Agarwal has over three decades of experience in the paints and coatings industry. Under his visionary leadership, SIRCA has emerged as a prominent name in luxury Wood Coatings industry. He plays a pivotal role in shaping the company's strategic direction and oversees its finance and growth initiatives.
 Apoorv Agarwal	Joint MD	Commerce degree from Delhi University and an MBA in Finance and Marketing from IIPM	Mr. Apoorv Agarwal brings over a decade of experience in the Italian furnishing and wood coatings industry. He has worked with renowned brands, such as B&B Italia, Reflex, Laura Meroni and Simon Cenedese. At SIRCA, he leads the Sales and Marketing division and drives the expansion of the company's distribution network across India.
 Gurjit Singh Bains	Non-ED	Master in economics from the University of Venice	Mr. Gurjit Singh Bains is one of the co-founders of SIRCA. He has more than two decades of experience in wood coatings and the Italian furniture industry. He was among the early introducers & promoters of branded Italian furniture in India.
 Mr. Guido Scappini	Non-ED (SIRCA SpA Italy)	Master's Degree in Mechanical Engineering, Energetics-Nuclear engineering	Mr. Guido Scappini is in charge of the Wood Coating, Metal Coating and Composites business. Formerly a management consultant at one of the leading global firms, he moved into an Executive position at an Italian manufacturers of wood coating.
 Shallu Arora	CFO	CA	Ms. Shallu Arora oversees the company's financial strategy, planning and compliance functions.

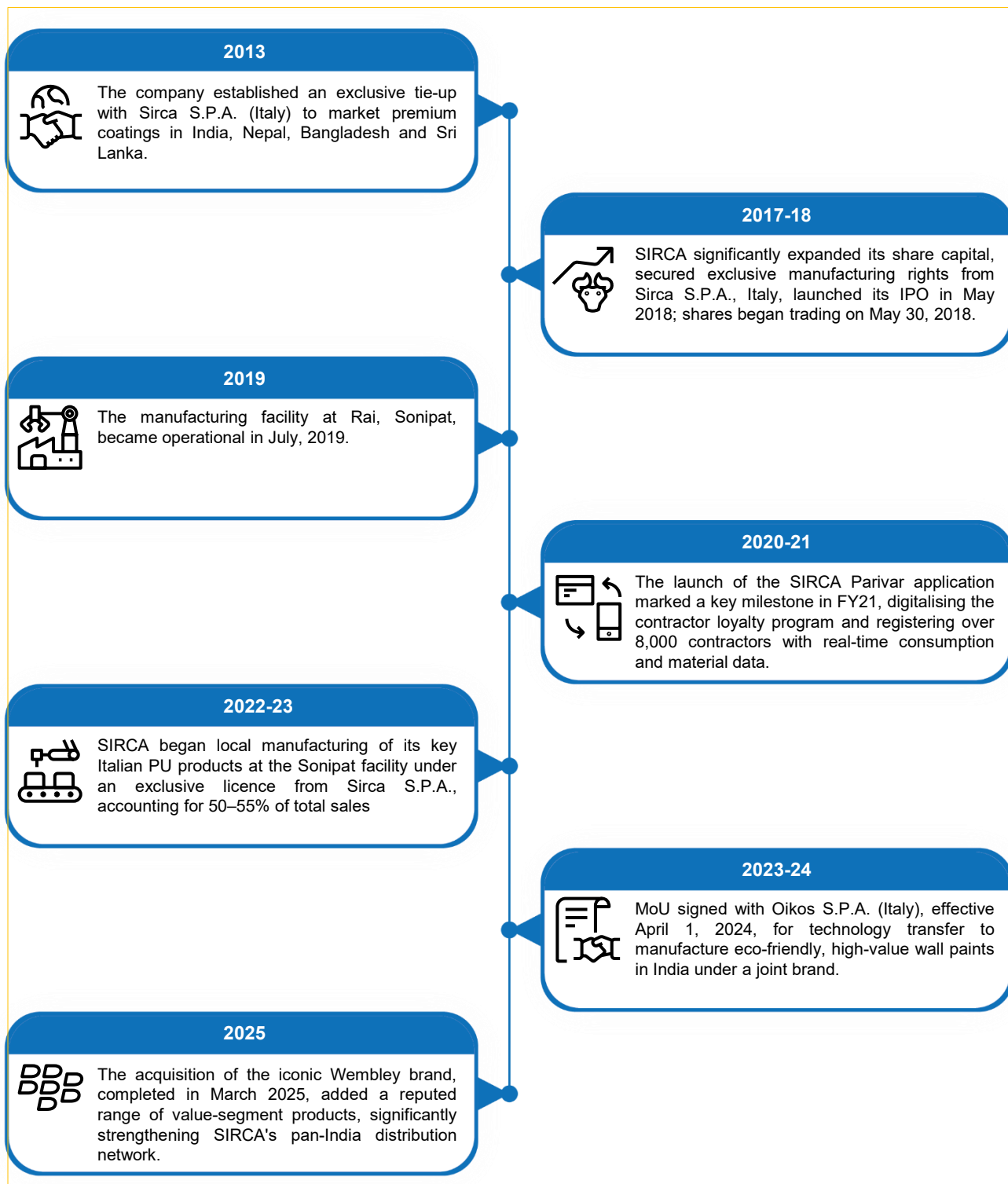
Source: SIRCA, Choice Institutional Equities

About The Company: SIRCA 360 degrees



Source: SIRCA, Choice Institutional Equities

About The Company: SIRCA Milestones



Source: SIRCA, Choice Institutional Equities

About The Company: SIRCA Manufacturing Capabilities, Capacities and Acquisitions

SIRCA operates **two state-of-the-art facilities**

The primary 80%-automated facility for **mass-market wood coatings products** is located in Sonipat, Haryana. It is also utilised for exporting products to Nepal, Bangladesh and Sri Lanka.

The existing manufacturing capacity for PU, NC, melamine and thinner products stands at 16,000MT pa.

A second facility in the NCR region focuses on manufacturing **wall paints and putty** with overall capacity of 48lk ltr.

Upcoming Manufacturing Capacities in Gujarat, Dahej.

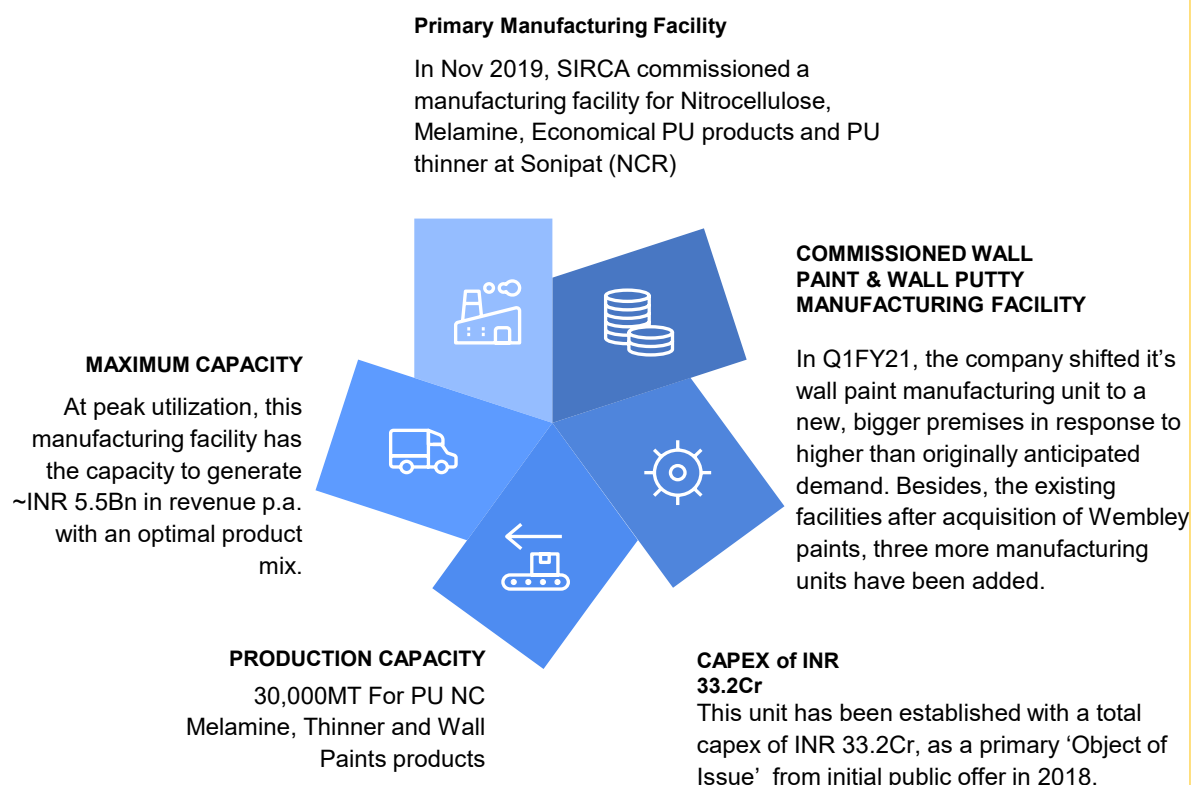
SIRCA plans to set up a manufacturing facility in Dahej, Gujarat, with a capex of INR 200–250Mn. The plant will add around 16,000MT of annual capacity, primarily focused on economical PU products.

Oikos Product Manufacturing in India

SIRCA has signed an MoU with Oikos S.P.A. (Italy) for technology transfer of five high-value, eco-friendly Oikos products – Ultrasaten, Supercolor, Rasokol, II Primer and BLANKOR – for local manufacturing in India. These premium emulsions meet A+ air quality standards and are odour-free.

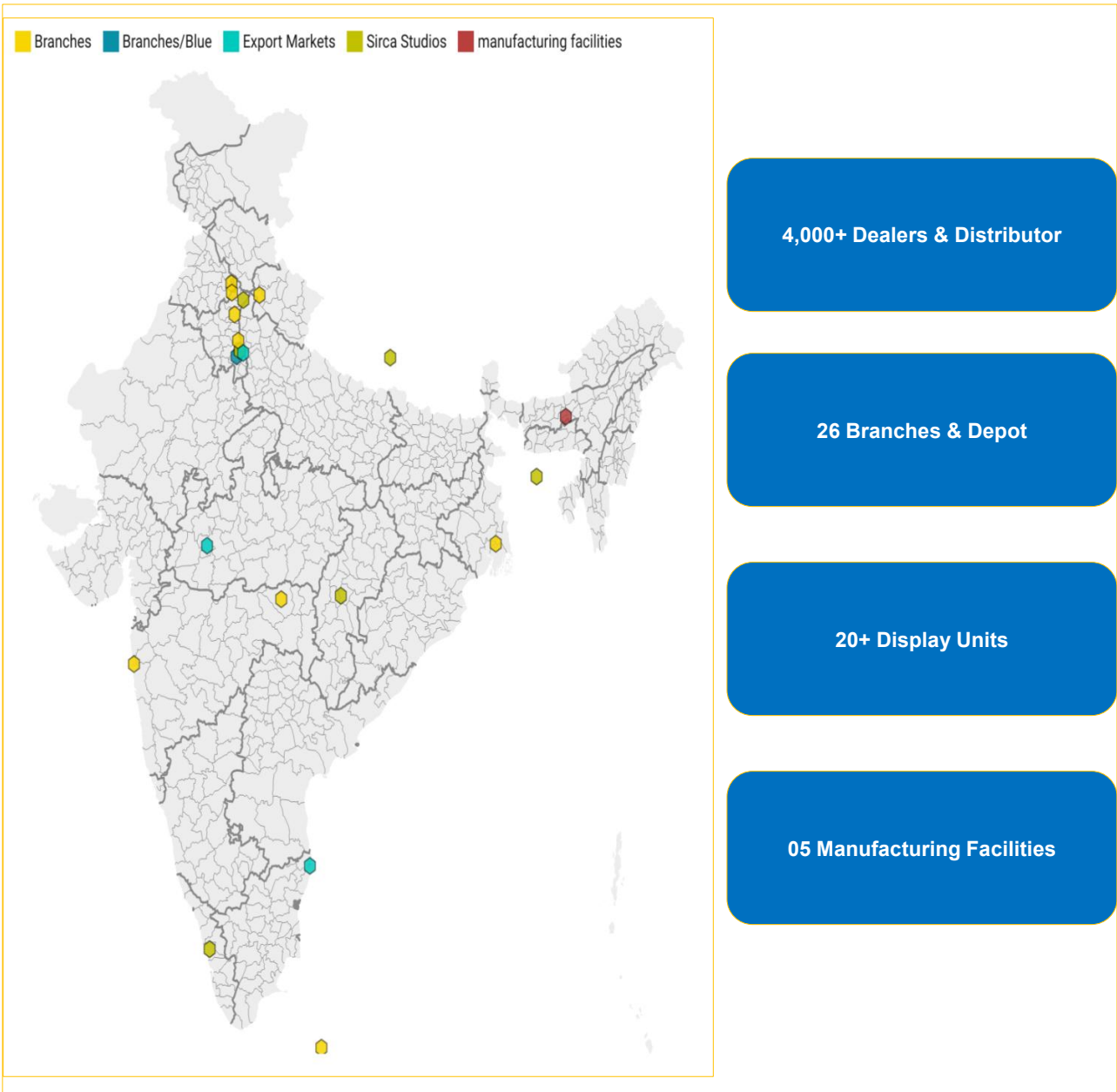
Wembley Brand Capacity Expansion

The company is making further investments in the recently-acquired Wembley brand to streamline production processes, expand capacity and reduce turnaround time.



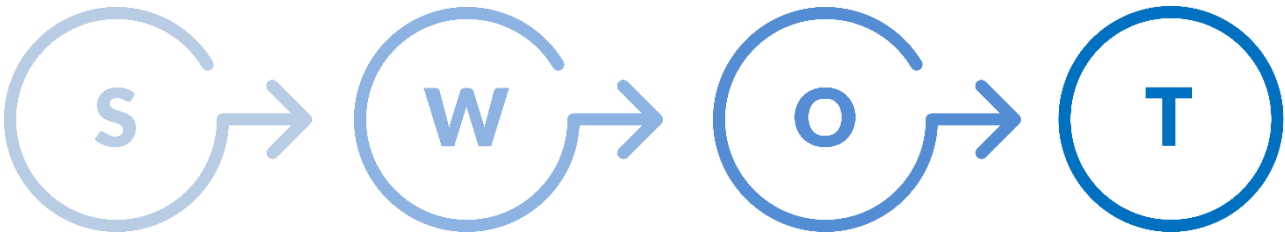
Source: SIRCA, Choice Institutional Equities

About The Company: SIRCA Facilities & Network



Source: SIRCA, Choice Institutional Equities

SIRCA: SWOT Analysis



Strengths	Weaknesses	Opportunities	Threats
Strong brand reputation with premium wood coatings	Margin pressure due to heightened competition	India's Wood Coatings industry projected to grow at 10+% CAGR (2025–2030)	Aggressive pricing by incumbents & new players
Top 3 premium wood coating brands in India; market leader in North	Dependence on imported high-value acrylic products	New product lines (e.g., Oikos wall paints, Wembley in value segment)	Raw material price volatility (esp. crude-based solvents = 40% of RM cost)
Extensive distribution network with 4,000 nodes, 26 studios	Lower margins in acquired brands (e.g., Welcome at ~15%)	Capacity expansion: 16,000MTPA plant at Dahej to drive INR 4Bn per annum revenue	Regulatory bans on construction (e.g., GRAP in NCR) disrupting operations
Technological tie-up with SIRCA Italy & exclusive licensing across South Asia	Regional concentration, especially in Delhi NCR (40–45% of sales)	Entry into underpenetrated regions: MP, Chhattisgarh, South, Northeast	Loss of potential export revenue (EUR 20 Mn) after revising strategy to focus only on Nepal & Sri Lanka
Preferred OEM partner with 900 modular furniture manufacturers	Stock-outs and delayed imports affecting sales	Growing OEM demand amid modular furniture boom	Competition from unorganised players in wood coatings
Debt-free, financially strong with increasing capacity utilisation	B2C penetration is challenging to achieve	Softening crude prices could support margin recovery	Talent acquisition & retention challenges in fast-growing sector

Source: SIRCA, Choice Institutional Equities

SIRCA Product Portfolio along with its recent acquisitions (1/4)

Products: SIRCA offers a wide range of surface coatings, including wood stains, PU polish, acrylic finishes, UV products and metal/glass paints, along with wall paints and white cement putty.

Description: The 'SIRCA' brand represents premium Italian coatings for wood, metal and glass surfaces. SIRCA holds the exclusive licensing rights for the SIRCA brand across India, Nepal, Bangladesh and Sri Lanka. This Italian wood coating business forms the core of SIRCA's India operations, contributing approximately 85% of its revenue in FY25.

Application Industry: SIRCA's premium coatings are used in high-end furniture, modular kitchens, interior design and architectural projects. The company cater to sectors, such as real estate, hospitality, OEMs and luxury retail requiring superior wood, metal and glass finishes. Renowned for their durability and aesthetics, these coatings serve quality-conscious and design-driven applications.

Market Size: India's decorative paints and coatings market, including wood finishes, is estimated to be over INR 675Bn and is projected to grow at a CAGR of 10+% over the next five years. Within this, the premium wood coatings and niche surface solutions (such as, UV and glass paints) represent a fast-expanding sub-segment, driven by rising aesthetic aspirations, increasing disposable income and the growth of modular and luxury furniture.



Source: SIRCA, Choice Institutional Equities

SIRCA Product Portfolio along with its recent acquisitions (2/4)



Welcome Brand

Description: “Welcome” is a reputed Indian brand offering high-performance NC and PU thinners, retarders and reducers used in interior wood finishing. Acquired by SIRCA via New Wembley Products LLP, it remains a flagship brand for solvent-based auxiliary products. Now marketed alongside the Welcoat brand, Welcome’s offerings are sold independently from SIRCA’s core PU and decorative businesses.

Welcome is known for high-quality thinners, retarders and reducers used in premium interior wood finishing. These include NC and PU thinners which enhance application quality by improving flow, drying and finish. SIRCA now markets these products under both, “Welcome” and “Welcoat,” brands, distinct from its core PU and decorative portfolio.

Market Size: Welcome’s products are widely used on doors, windows and kitchen cabinets. SIRCA has further launched the “Welcoat” brand under Wembley to penetrate the value segment. India’s thinners and solvent market is estimated to be to the tune of **INR 60-70Bn**, offering strong growth potential.

Source: SIRCA, Choice Institutional Equities

SIRCA Product Portfolio along with its recent acquisitions (3/4)

Wembley Brand

Description: Wembley, established in 1961, was, in March 2025, acquired by SIRCA, including operations of Wembley Paint & Chemicals, Indo Wembley Paint PVT Ltd and New Wembley Products LLP. This strategic move expanded SIRCA's footprint into the value segment and enhanced its pan-India distribution. **Wembley's product portfolio comprises a wide range of high-performance wood coatings and industrial finishes, including sanding sealers, lacquers, enamels, NC paints and melamine**, known for their durability, smooth finish and ease of application. Complementing this range, New Wembley Products LLP manufactures premium thinners, reducers and retarders under the "Welcome" and "Welcoat" brands. The associated thinner brands, "Welcome" and "Welcoat," support interior finishing across residential, commercial and automotive segments – ideal for doors, windows and kitchen cabinets.

Market Size: "Wembley" has significantly expanded SIRCA Paints' offerings with products, such as sanding sealers, lacquers, enamels, NC paints and melamine – particularly known for its high brand recall in sanding sealers and lacquers. The broader industrial and NC coatings market in India is estimated at **INR 50-60Bn**, offering meaningful growth opportunities.



Source: SIRCA, Choice Institutional Equities

SIRCA Product Portfolio along with its recent acquisitions (4/4)

Oikos Brand

Description: Oikos is a renowned Italian brand specialising in eco-friendly luxury wall textures and high-quality decorative paints, known for their low-VOC, non-toxic formulations. Designed for both, interior and exterior, applications — including MDF, HDF, and gypsum —Oikos products offer superior durability, water repellence, anti-abrasion and anti-mould properties. Positioned in the premium and luxury segments, they combine advanced technology with elegant aesthetics. Through a strategic MoU, SIRCA will manufacture five ultra-premium Oikos emulsions—Ultrasaten, Supercolor, Rasokol, Il Primer, and BLANKOR—in India.

Designed for luxury home décor, they cater to both, residential and commercial spaces. Known for being eco-friendly, low-VOC and odourless, they are ideal for environmentally-conscious consumers. Their technologically advanced formulations offer water-repellent, anti-abrasion and anti-mould properties. With SIRCA set to manufacture select Oikos emulsions in India, these products are positioned as the future of the decorative paint industry.

Market Size: The luxury and ultra-premium decorative paints and wall textures segment in India is estimated at **INR 60–80Bn** and expected to grow in double digits p.a. driven by rising urban incomes and demand for eco-conscious and high-performance finishes.



Source: SIRCA, Choice Institutional Equities

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ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months

Mid & Small Cap*

BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months

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NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change

Sector View

POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
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