SIRCA PAINTS INDIA LIMITED
(Formerly known as Sircolor Wood Coatings Pvt. Ltd.)
Regd. office : Plot No-50, Badli Industrial Area, Phase-2, New Delhi-110042
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info@sircapaints.com www.sircapaints.com
CIN NO : L24219DL2006PLC145092

November 08th, 2019

TO,
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LTD.
EXCHANGE PLAZA , 5TH FLOOR, PLOT NO. C/1
G-BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E)
MUMBAI – 400051.

SUB: BUSINESS UPDATE PURSUANT TO SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

REF: SYMBOL- SIRCA

Dear Sir/Ma'am,

With Respect of subject captioned we, **Sirca Paints India Limited** (the "Company"), are hereby submit **Business Update, November 2019.**

You are requested to take the same on record and oblige.

Yours faithfully,
Sirca Paints India Limited
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

For SIRCA PAINTS INDIA LIMITED
(Formerly Known as Sircolor Wood Coatings Pvt. Ltd.)

Company Secretary

Chahat Mahajan
Company Secretary & Compliance Officer
(Membership No. 51255)

Place: Delhi

Commissioning of Manufacturing Facility

Business Update, November 2019

Commissioning of Manufacturing Facility

Introduction

Riding on the back of increased consumption, growing value of aesthetics and premiumization in the wood coatings industry, Sirca Paints India Limited is acknowledged as one of the fastest-growing wood coatings player in the industry. The company is based out of the national capital and happens to command the highest market share, in the premium segment of wood coatings, in the north-India market. The company has an exclusive tie-up with Sirca S.p.A (Italy), which happens to be one of the most recognized wood coatings player globally, for manufacturing and distributing rights of Sirca products in India and the neighboring countries i.e. Nepal, Bangladesh, Sri Lanka.

Manufacturing Facility and Strategy Going Forward

With a continuous focus towards its value proposition to the Indian consumers, Sirca has created a diversified product portfolio that will cater to different customer segments at various price points. With this objective in mind, Sirca had announced a manufacturing facility to manufacture NC, Melamine and Economical PU products back in May 2018, this capital expenditure was funded through an initial public offer wherein the company raised ~78 Crores.

This state of the art manufacturing facility was created in complete collaboration with Sirca S.p.A (Italy) for which the company has paid a technical collaboration fee. Each aspect of the plant has been directly supervised by Sirca S.p.A, who will also provide the company with assistance post-commissioning, until the time of complete stabilization of the manufacturing process. This manufacturing facility has an approximate production capacity of 8000 Tonne for NC, Melamine and Economical PU products and 4000 Tonne for PU thinner and above in further years. The production capacity is fungible.

The project with a capital investment of ~ 33.20 crores is spread across 1.75 acres at Rai, Sonipat in Haryana state and **has been successfully commissioned and will be operational from 15th November, 2019.** This facility will employ approximately 50 people to handle its operations. At peak capacity utilization this manufacturing facility has a capacity to generate ~225 Crores in revenue with an optimal product-mix. The management expects to achieve ~50% capacity utilization levels by the end of FY2020-21.

CMD Message

Speaking on this major milestone, Mr. Sanjay Agarwal, CMD Sirca Paints India Limited commented, “Our NC, Melamine and Economical PU product opens up the gates of mass-market products in the Indian wood coatings market, it increases the scope and addressable market opportunity for the company, beyond the premium Italian wood coatings segment. In spite of the current transition in the consumer preference from Melamine and Economical PUs to the Italian PUs, the market size of lower quality PUs is too huge to ignore, as it makes up for ~90% of the volumes of the wood coatings market and also the shift is a gradual process. An added benefit of catering to the lower segment PU is the mass-market brand recognition, which will, in turn, create potential customers for our core Italian PU products.”





Outlook

As the company moves ahead, it is confident of sustaining a solid growth momentum by increasing its dealer & distributor network across newer geographies including export markets, the efforts towards creating a better distribution infrastructure and marketing initiatives are expected to give good results in the near future.

Along with this manufacturing facility, the company will be well-placed to leverage the upcoming opportunities and the growing demand in the industry. With a robust financial position and a debt-free balance sheet, the company will continue to evaluate opportunities for growth while strengthening its position in the industry.

Contact Us:

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