

1: Indian paints industry to grow to Rs 70, cr by | Business Standard News

The Indian paint industry is estimated to touch Rs 62, crore in the next two years. The Indian paint industry is likely to surge from the current level of about Rs 40, crore to about Rs 62, crore in year , witnessing a double-digit compound annual growth rate (CAGR) of about 20 per cent.

The per capita paint consumption in India which is a little over 4 kgs is still very low as compared to the developed western nations. Therefore, as the country develops and modernizes, the per capita paint consumption is bound to increase. In the unorganised segment, there are about 2, units having small and medium sized paint manufacturing plants. Demand for paints comes from two broad categories: Major segments in decoratives include exterior wall paints, interior wall paints, wood finishes and enamel and ancillary products such as primers, putties etc. Asian Paints is the market leader in this segment. Demand for decorative paints arises from household painting, architectural and other display purposes. Demand in the festive season September-December is significant, as compared to other periods. This segment is price sensitive and is a higher margin business as compared to industrial segment. Three main segments of the industrial sector include automotive coatings, powder coatings and protective coatings. Kansai Nerolac is the market leader in this segment. User industries for industrial paints include automobiles engineering and consumer durables. The industrial paints segment is far more technology intensive than the decorative segment. Since most of the raw materials are petroleum based, the industry benefits from softening crude prices. How to Research the Paints Sector Key Points Supply Supply exceeds demand in both the decorative as well as the industrial paints segments. Demand Demand for decorative paints depends on the housing sector and good monsoons. Industrial paint demand is linked to user industries like auto, engineering and consumer durables. Barriers to entry Brand, distribution network, working capital efficiency and technology play a crucial role. Bargaining power of suppliers Price increase constrained with the presence of the unorganised sector for the decorative segment. Sophisticated buyers of industrial paints also limit the bargaining power of suppliers. It is therefore that margins are better in the decorative segment. Bargaining power of customers High due to availability of wide choice. Competition In both categories, companies in the organised sector focus on brand building. Higher pricing through product differentiation is also followed as a competitive strategy. Growth picked up pace during the second quarter of this fiscal, owing to a good monsoon and a positive investment climate in the country. However, due to the demonetization activity undertaken by the government, pace of growth was impacted in both the decorative and industrial Markets in the third and fourth quarter. Post demonetisation, the auto industry saw a bit of a revival. Consumer demand also picked up, signaling a stabilization of the economy. On the cost front, the first half of the year saw a deflationary trend, which led to reduction in raw material prices. From the second half of the year, the industry witnessed an inflationary trend. This trend is expected to accelerate in the new financial year, further putting pressure on costs. Rupee volatility also contributed to uncertainty on the cost front and continued to create challenges for the industry. With the economy poised to grow at a rate of 7. The trend toward nuclear family augurs well for the paint industry. Just like GST, the Government is expected to continue with its reforms agenda, with policy decisions to come in sectors like infrastructure and power. These reforms would provide great impetus to the economy as well as to the paint industry. Decorative paints segment is expected to witness higher growth going forward. The fiscal incentives given by the government to the housing sector have immensely benefited the housing sector. This will benefit key players in the long term. Although the demand for industrial paints is lukewarm it is expected to increase going forward. This is on account of increasing investments in infrastructure. Domestic and global auto majors have long term plans for the Indian market, which augur well for automotive paint manufacturers like Kansai Nerolac and Asian-PPG. Increased industrial paint demand, especially powder coatings and high performance coatings will also propel topline growth of paint majors in the medium term. Going ahead, FY is expected to see a gradual upward trend in input costs. This rise may impact industry profitability in the longer run, affecting both top line as well as bottom line growth.

2: Indian paints industry to grow to INR 70, cr by 2016 - The Hindu BusinessLine

The Indian paint market is expected to reach Rs 70 bn by 2016 from around Rs 40 bn in 2011. The per capita paint consumption in India which is a little over 4 kgs is still very low as compared to the developed western nations.

They all belonged to reputed houses too: But, though in jest, he is making a serious point. The paint industry has proved to be a stumbling block for many established corporate houses that have made it big in a host of other industries. In contrast, the Delhi-based Dhingras, who are originally from Amritsar, Punjab, have been paint sellers for the last five generations. When the duo acquired Berger Paints in from United Breweries chairman Vijay Mallya, its financial position was precarious. But Gurbachan estimates that since , the market cap of Berger Paints has risen 2, times to Rs 18, crore as of May 3, The company, established in , is favoured by both domestic and foreign institutional investors who have taken its stock price up from Rs 44 on March 31, to Rs 100. When they bought it from Mallya, they owned 32 percent. They also own 95 percent of Berger Paints Bangladesh Ltd. It is noteworthy, then, that the owners who are so close to the company they have built, are able to distance themselves when it matters. Separation of Ownership and Management In the s, the Dhingras had a thriving paint business under Rajdoot Paints which was sold in India. They had also started exporting to the Soviet Union. Kuldip would handle sales and marketing while Gurbachan was in charge of the factories. Given the tax incentives, the brothers discovered that exporting was far more lucrative“they also started dabbling in soaps and detergent exports. But with the collapse of the Soviet Union, that business went bust and they were left with only the domestic market. Around that time, Berger Paints came on the block. The brothers bid for it and, in , the company was theirs. The business, however, was based in Calcutta now Kolkata while the Dhingras had spent all their lives in Delhi. How were they going to handle the management, in that context? Now, delegating and hiring professionals had proved successful for them in Rajdoot Paints. It was this principle they decided to apply to Berger Paints. They only travel to Kolkata for board meetings and for the board committees they chair. Even dealers they know are encouraged to deal directly with the company. He explains that while the promoters take care of broad strategic issues like partnerships and joint ventures, they are not involved in the day-to-day running of the company. Succession planning The Dhingra next-gen works in the company but they will eventually not hold any operational responsibilities. The succession planning may not include the traditional family-owned business concept, but it is still a critical area of focus for them. They are clear that the chief executive of the company must have a sales and marketing background. The business can survive anything but not sloppy marketing. Current CEO Roy was the marketing director and chief operating officer of the company before his elevation. The brothers are closely involved in identifying key talent. Board members also play a key role in advising them. He worked on identifying candidates and persuaded them to get a proper succession plan in place. The brothers are also unambiguous about the fact that they will not overshadow the CEO once he is picked. They continue to be involved in charting the future course of the business and in forming joint ventures. When they took over Berger Paints, the morale was down and there was no money to even pay salaries. In those days, that was a lot of money. But we made it available at short notice. Tough ask, but they were determined to make Berger Paints a force to reckon with. Equally important, the family has never invested in anything except Berger Paints. In the initial years, even dividends were ploughed back. When Berger Paints did a preferential allotment in , the brothers agreed to put in Rs 100 crore. Meanwhile, market regulator Securities and Exchange Board of India Sebi stipulated that promoter holding in all private sector listed companies be brought down to below 75 percent. But the family still subscribed to the issue at Rs 50 a share even though the market price was Rs 38 a share. Currently, they are faced with a peculiar problem. Improving market share and margins The numbers provide the validation they need. In , Ebitda margins were at 15 percent. The company has also steadily expanded market share and matched Asian Paints in revenue growth over the last five years. Kuldip refuses to let on too much except to say that he would like market share and margins to improve by 10 percent. Berger Paints was known for lower-end paints, but with better branding and products their margins could continue to rise. Second, their plant in Andhra Pradesh will help them reduce freight costs in servicing southern markets.

Automation Expansion is also a function of having the desired products, and at the required time. After all, in an industry that has as many as 5, different colour shades, having the right systems and processes in place is critical. This can only happen through automation at the factories, an effort that has been driven by Gurbachan. Paint tubs are filled, automatically sealed and then robots stack them on shelves. This is a far cry from the labour intensive plants that the industry had just a decade ago. The Dhingras have also diversified their plant locations so as to not give the labour unions much clout in one place. IT Systems Demand forecasting also plays a key role in this business. Earlier, Berger Paints had been hamstrung by the lack of an IT system that allowed them to do this. It is one area we are working on. The company has since worked on running various packages on an enterprise resource planning ERP system, provided by Oracle, to help it forecast demand correctly. Relentless focus on costs The other hurdle faced by the industry is graft. He narrates examples of how suppliers short-change the company by charging more and providing faulty material. To combat this, the brothers went so far as to set up their own packaging unit to supply to the company. This was done so that they can get a clear idea of costs and quality, which Berger Paints can then use as a benchmark when it buys from other suppliers. Wastage has reduced significantly as also the price charged. Quality is up and costs are down, words every promoter wants to hear. The relentless focus on the business, costs and non-interference has created a powerful cocktail to propel Berger Paints to where it is today. This story appears in the 27 May, issue of Forbes India. You can buy our tablet version from Magzter. To visit our Archives, click here.

3: Berger Paints - Annual Reports

Paint industry looks at 10%-plus growth in sales in the current fiscal Jul 24, , PM IST "Since the reduced GST rate will push up demand, we expect a % growth in sales this fiscal," said Mr Mahesh Anand, vice president, Indian Paint Association.

4: ₹ India - wood industry export and import value | Statistic

Indian paint industry is likely to surge from the current level of about Rs. 40, crore to about Rs. 62, crore by witnessing a breathtaking double-digit compound annual growth rate (CAGR) of about 20%, apex industry body ASSOCHAM said today.

5: Behind Berger's rise as India's second largest paints company | Forbes India

The 26th Indian Paint Conference to focus on the Coating industry; paint industry leaders to congregate and debate on the factors crucial to the industry. Coating Industry's latest report by AC Nielsen on the Indian Paint Market - Size & Future to be unveiled at the conference.

6: Indian Paint Market expected to reach 49, INR by IPA Study

Mumbai: The Rs 40,crore Indian paint industry is likely to see a 20 per cent compounded annual growth rate until , says a study by business chamber Assocham. This is due to increasing demand from retail consumers, on rapid urbanisation, and development of rural markets.

7: Domestic paint industry to cross Rs 62K crore mark by ASSOCHAM

Paint market is expected to reach INR 49, Cr. by (CAGR %) In terms of value comparison with year decorative paint market registered a CAGR of % & industrial - %.

8: CMR's India Paints Report | CyberMedia Research | CMR

The decorative paint market is expected to witness CAGR of per cent and the industrial paint market CAGR of per cent, according to Indian Paint Association (IPA)'s to be launched report on the Indian Paint Market - "Size & Future of coating industry" compiled by Nielsen Corporation. The split of the decorative paint market to.

9: Construction Paints and Coatings Market - Research Report, Market Analysis - Technavio

The paint and coatings industry is an important and dynamic part of our nation's economy, and plays a key role in creating products that help preserve and protect everything, from our every day objects to our most important infrastructure.

Thomas the Tank Engine Colors (Board Books) Steamboats Come True Bioethical issues, sociological perspectives The Bridal Party Handbook Constitution and by-laws, with a list of the officers and members. National biases in French and English drama Usused physical training filetype Gods Animals Color and Activity (Double Fun Pad) Medicine and Society in France (Annales (Selections from the Annales Economies, Sociitis, Civilisatio) Abraham Lincoln A History NICENE AND POST-NICENE FATHERS: Second Series, Volume VIII Basil The new woman Sidney Grundy Intention and Intentionality Workforce Engagement 2002 chevy tracker service manual Ap edition campbell biology 7th edition Calvins Institutes (Of The Christian Religion, An Abridgement) Church-affiliated organizations Professional Stock Trading Recent Advances in AI Planning Cheating Online Games V. 10. The civil war and reconstruction. Asp net web api security essentials Mystery of the phantom gold Understanding the alien Gregory Benford Can feminism be liberated from governmentalism? John Tomasi Battle of Savage Station and White Oak Swamp Bridge, Sunday, June 29, 1862, and Monday, June 30, 1862 Works of William Paley . Pt. 2. The life history of stars : a modern perspective. Billington, J. H. The legacy of Russian history. Neoclassical ornamental designs Nemesis by anna banks Acute Care Psychiatry Proceedings The Storytellers Craft Variations sauvages Steps to English/Bk B/Gr K-2 More than Title IX Churches working together San Diego on My Mind (America on My Mind) Resurrection incentives (15:29-34)