

India's Chemical Industry: Sector Overview

"In India, the Chemicals and Petrochemicals sector is worth \$178 billion"



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INTRODUCTION

India's chemical sector is extremely diverse, with over 80,000 commercial items. Bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers are some of the categories.



India benefits from economies of scale due to its closeness to the Middle East, which is the world's largest supplier of petrochemical feedstock. India is a significant worldwide dye supplier, accounting for roughly 16% of global dyestuff and dye intermediate production. Except for a few hazardous substances, India's chemical sector has been de-licensed.



The Chemicals and Petrochemicals sector will benefit from state-of-the-art infrastructure provided by upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks.

- **By 2025, the global market for chemicals and petrochemicals is expected to reach \$300 billion.**
- **India ranks 11th in global chemical exports (excluding pharmaceutical items) and 6th in global chemical imports (excluding pharmaceutical products)**

- **In the fiscal year 2021-22 (up to October 2021), combined exports of Major Chemicals and Major Petrochemicals climbed to INR 81.95/- thousand crores from INR 57.21/- thousand crores, while imports increased to INR 94.53/- thousand crores from INR 50.09/- thousand crores.**

- **Between 2020 and 2025, demand for chemical goods is predicted to expand at a rate of about 9% per year.**
- **More than 2 million people work in India's chemical sector.**
- **Fertilizer production (weight: 2.63 percent) grew by 0.5 percent in July 2021 over July 2020.**

- In the chemicals sector, 100 percent FDI is allowed under the automatic approach (except in the case of certain hazardous chemicals)

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SITUATION IN THE INDUSTRY

In India, the Chemicals and Petrochemicals business is worth roughly \$178 billion dollars and is predicted to reach \$300 billion dollars by 2025.

- Major Chemicals output climbed by 23.62 percent to 73.04 lakh tonnes in 2021-22 (up to October-2021) compared to 59.08 lakh tonnes in the previous year's similar period.**

- **Major Petrochemicals production climbed by 11.85 percent to 257.44 lakh tonnes in 2021-22 (up to October-2021) compared to 230.15 lakh tonnes in the previous year's similar period.**
- **Chemical production increased by 23.62 percent in 2021-22 (up to October 2021) over 2020-21 (up to October 2020), with large increases in all sub-sectors—**

- **Chemicals containing alkali – 25.98 percent**
- **20.92 percent inorganic compounds**
- **Organic compounds make up 10.4 percent of the total**
- **Pesticides and insecticides accounted for 30.72 percent of the total.**
- **Dyes and Pigments accounted for 51.06 percent of the total.**

- **From FY 2019 to FY 2023, petrochemical demand is predicted to expand at a CAGR of 7.5 percent, while polymer demand is expected to grow at an annual rate of 8%.**
- **India's agrochemicals industry is predicted to increase at an annual rate of 8%, reaching \$4.7 billion by FY25.**

- Specialty chemicals account for 22% of India's total chemicals and petrochemicals market. In 2019-22, demand for specialised chemicals is predicted to grow at a 12 percent compound annual growth rate (CAGR).

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GROWTH DRIVERS

- **Rising disposable income, population age, urbanisation, and increasing penetration and demand from rural markets**
- **Shift in production and consumption towards Asian and Southeast Asian countries in all sectors, leading to increased demand for Chemicals and Petrochemicals**

- **Shift in consumer preferences toward a healthier lifestyle and environmentally friendly products, leading to increased demand for Chemicals and Petrochemicals**
- **Potential to produce \$111 billion in chemical goods for domestic use by 2023**

- Under the Atmanirbhar Bharat Abhiyaan, there is a Production-Linked Incentives scheme for the manufacturing of Advance Cell Chemistry Batteries

➤ **Related Feasibility Study Reports:** [Chemicals \(Organic, Inorganic, Industrial\) Projects](#)

PLI (PRODUCTION-LINKED INCENTIVES) PROGRAM

The Union Cabinet, led by Prime Minister Shri Narendra Modi, has approved the introduction of the Production-Linked Incentive (PLI) Scheme in Advance Chemistry Cell Batteries for Improving India's Manufacturing Capabilities and Exports – Atmanirbhar Bharat.

TRENDS IN THE INDUSTRY

Agrochemicals: The agrochemical sector in India is expected to increase at an annual rate of 8-10% till 2025.

Petrochemicals: Over the next decade, India's domestic demand for petrochemicals is predicted to expand at an annual rate of 8%. Furthermore, during the next five to seven years, petrochemical capacity is expected to increase by more than 40%.

Fertilizers: The Indian fertiliser business was worth over \$64 billion in FY18. From FY19 to FY23, the market is estimated to increase at a CAGR of 13% to \$138 billion.

Specialty Chemicals: Specialty chemicals make up more than half of India's overall chemical exports.

➤ ***Read our Books Here:*** [Chemical Technology \(Organic, Inorganic, and Industrial\)](#),

[Fine Chemicals](#)

Niir Project Consultancy Services (NPCS) can provide project reports. The report covers - Manufacturing Plant, Detailed Project Report, Profile, Business Plan, Industry Trends, Market Research, Survey, Manufacturing Process, Machinery, Raw Materials, Feasibility Study, Investment Opportunities, Cost and Revenue, Plant Economics.

The project report provided by NPCCS gives a detailed market review. The report analyses the market confirms the availability of various necessities such as plant & machinery, raw materials and tells about the forecasting financial requirements.

A lot of professionals have taken benefit from the project reports if you are interested in the manufacturing business, get in contact with us from the official website of NPCCS.

➤ Watch other Informative Videos: [Chemicals \(Organic, Inorganic, and Industrial\)](#)

Some Useful Links:

Government Ministry/ Department

- [*Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers*](#)

Industry Associations

- [*Alkali Manufacturers Association of India*](#)
- [*Chemicals & Petrochemicals Manufacturers Association*](#)
- [*Crop life India Dye Manufacturers Association of India*](#)
- [*Indian Chemical Council*](#)
- [*Indian Speciality Chemical Manufacturers Association*](#)
- [*Organization of Plastic Processors of India*](#)
- [*The All India Plastic Manufacturers' Association*](#)

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#IndiaChemicalIndustry #chemicals #chemicalproducts
#agrochemicals #pharmaceuticals #polymers
#industrialgases #chemicalproduction #chemicalPlant***

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Major Queries/Questions Answered in Our Report?

- 1. How has the industry performed so far and how will it perform in the coming years?**
- 2. What is the Project Feasibility of the Plant?**
- 3. What are the requirements of Working Capital for setting up the plant?**
- 4. What is the structure of the industry and who are the key/major players?**

- 5. What is the total project cost for setting up the plant?**
- 6. What are the operating costs for setting up the plant?**
- 7. What are the machinery and equipment requirements for setting up the plant?**
- 8. Who are the Suppliers and Manufacturers of Plant & Machinery for setting up the plant?**
- 9. What are the requirements of raw material for setting up the plant?**

10. Who are the Suppliers and Manufacturers of Raw materials for setting up the plant?

11. What is the Manufacturing Process of the plant?

12. What is the total size of land required for setting up the plant?

13. What will be the income and expenditures for the plant?

14. What are the Projected Balance Sheets of the plant?

- 15. What are the requirement of utilities and overheads for setting up the plant?**
- 16. What is the Built up Area Requirement and cost for setting up the plant?**
- 17. What are the Personnel (Manpower) Requirements for setting up the plant?**
- 18. What are Statistics of Import & Export for the Industry?**
- 19. What is the time required to break-even?**

- 20. What is the Break-Even Analysis of the plant?**
- 21. What are the Project financials of the plant?**
- 22. What are the Profitability Ratios of the plant?**
- 23. What is the Sensitivity Analysis-Price/Volume of the plant?**
- 24. What are the Projected Pay-Back Period and IRR of the plant?**
- 25. What is the Process Flow Sheet Diagram of the plant?**
- 26. What are the Market Opportunities for setting up the plant?**
- 27. What is the Market Study and Assessment for setting up the plant?**
- 28. What is the Plant Layout for setting up the plant?**

Project Financials

- **Project at a Glance** **Annexure**
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- Plant Economics.....2
- Production Schedule.....3
- Land & Building.....4
 - Factory Land & Building
 - Site Development Expenses

- **Plant & Machinery.....5**
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 - Other Machineries (Miscellaneous, Laboratory etc.)

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 - Furniture & Fixtures
 - Pre-operative and Preliminary Expenses
 - Technical Knowhow
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- **Turnover Per Annum10**
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 - Preference Share Capital

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- **Annexure 2 :: Profitability and Net Cash Accruals**
 - **Revenue/Income/Realisation**
 - **Expenses/Cost of Products/Services/Items**
 - **Gross Profit**
 - **Financial Charges**
 - **Total Cost of Sales**
 - **Net Profit After Taxes**
 - **Net Cash Accruals**

- **Annexure 3 :: Assessment of Working Capital requirements**
 - **Current Assets**
 - **Gross Working Capital**
 - **Current Liabilities**
 - **Net Working Capital**
 - **Working Note for Calculation of Work-in-process**
- **Annexure 4 :: Sources and Disposition of Funds**

- **Annexure 5 :: Projected Balance Sheets**

- **ROI (Average of Fixed Assets)**
- **RONW (Average of Share Capital)**
- **ROI (Average of Total Assets)**

- **Annexure 6 :: Profitability Ratios**

- **D.S.C.R**
- **Earnings Per Share (EPS)**
- **Debt Equity Ratio**

- **Annexure 7 :: Break-Even Analysis**

- **Variable Cost & Expenses**
- **Semi-Variable/Semi-Fixed Expenses**
- **Profit Volume Ratio (PVR)**
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- **Annexure 8 to 11 :: Sensitivity Analysis-Price/Volume**

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- **Resultant D.S.C.R**
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- **Resultant DER**
- **Resultant ROI**
- **Resultant BEP**

- **Annexure 12 :: Shareholding Pattern and Stake Status**
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- **Annexure 14** :: **Product wise Domestic Sales Realisation**
- **Annexure 15** :: **Total Raw Material Cost**
- **Annexure 16** :: **Raw Material Cost per unit**
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- **Annexure 18** :: **Consumables, Store etc.**
- **Annexure 19** :: **Packing Material Cost**
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- **Annexure 21** :: **Employees Expenses**
- **Annexure 22** :: **Fuel Expenses**
- **Annexure 23** :: **Power/Electricity Expenses**
- **Annexure 24** :: **Royalty & Other Charges**
- **Annexure 25** :: **Repairs & Maintenance Expenses**
- **Annexure 26** :: **Other Manufacturing Expenses**
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- **Annexure 29 :: Depreciation Charges – as per Books (Total)**
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- **Annexure 31 :: Depreciation Charges - as per IT Act WDV (Total)**
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- **Annexure 33 :: Interest and Repayment - Term Loans**
- **Annexure 34 :: Tax on Profits**
- **Annexure 35 :: Projected Pay-Back Period and IRR**

Reasons for Buying Our Project Report

- ✓ **The report helps you to identify a profitable project for investing or diversifying into by throwing light to crucial areas like industry size, market potential of the product and reasons for investing in the product**
- ✓ **This report provides vital information on the product like it's characteristics and segmentation**
- ✓ **This report helps you market and place the product correctly by identifying the target customer group of the product**

- ✓ **This report helps you understand the viability of the project by disclosing details like machinery required, project costs and snapshot of other project financials**
- ✓ **The report provides a glimpse of government regulations applicable on the industry**
- ✓ **The report provides forecasts of key parameters which helps anticipate the industry performance and make sound business decisions**

Our Approach

- **Our research reports broadly cover Indian markets, present analysis, outlook and forecast for a period of five years.**
- **The market forecasts are developed on the basis of secondary research and are cross-validated through interactions with the industry players**
- **We use reliable sources of information and databases. And information from such sources is processed by us and included in the report**

Free Instant Online Project Identification and Selection Service

Our Team has simplified the process for you by providing a "Free Instant Online Project Identification & Selection" search facility to identify projects based on multiple search parameters related to project costs namely: Plant & Machinery Cost, Total Capital Investment, Cost of the project, Rate of Return% (ROR) and Break Even Point % (BEP). You can sort the projects on the basis of mentioned pointers and identify a suitable project matching your investment requisites.....[Read more](#)

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NPCS is manned by engineers, planners, specialists, financial experts, economic analysts and design specialists with extensive experience in the related industries.

Our Market Survey cum Detailed Techno Economic Feasibility Report provides an insight of market in India. The report assesses the market sizing and growth of the Industry. While expanding a current business or while venturing into new business, entrepreneurs are often faced with the dilemma of zeroing in on a suitable product/line.

And before diversifying/venturing into any product, they wish to study the following aspects of the identified product:

- **Good Present/Future Demand**
- **Export-Import Market Potential**
- **Raw Material & Manpower Availability**
- **Project Costs and Payback Period**

The detailed project report covers all aspect of business, from analyzing the market, confirming availability of various necessities such as Manufacturing Plant, Detailed Project Report, Profile, Business Plan, Industry Trends, Market Research, Survey, Manufacturing Process, Machinery, Raw Materials, Feasibility Study, Investment Opportunities, Cost and Revenue, Plant Economics, Production Schedule,

Working Capital Requirement, uses and applications, Plant Layout, Project Financials, Process Flow Sheet, Cost of Project, Projected Balance Sheets, Profitability Ratios, Break Even Analysis. The DPR (Detailed Project Report) is formulated by highly accomplished and experienced consultants and the market research and analysis are supported by a panel of experts and digitalized data bank.

We at NPCS, through our reliable expertise in the project consultancy and market research field, have demystified the situation by putting forward the emerging business opportunity in India along with its business prospects.....[Read more](#)

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- **Project Identification**
- **Detailed Project Reports/Pre-feasibility Reports**
- **Market Research Reports**
- **Business Plan**
- **Technology Books and Directory**
- **Industry Trend**
- **Databases on CD-ROM**
- **Laboratory Testing Services**
- **Turnkey Project Consultancy/Solutions**
- **Entrepreneur India (An Industrial Monthly Journal)**

How are we different ?

- We have two decades long experience in project consultancy and market research field
- We empower our customers with the prerequisite know-how to take sound business decisions
- We help catalyze business growth by providing distinctive and profound market analysis
- We serve a wide array of customers , from individual entrepreneurs to Corporations and Foreign Investors
- We use authentic & reliable sources to ensure business precision

Our Approach

Requirement collection

Thorough analysis of the project

Economic feasibility study of the Project

Market potential survey/research

Report Compilation

Who do we Serve?

- Public-sector Companies
- Corporates
- Government Undertakings
- Individual Entrepreneurs
- NRI's
- Foreign Investors
- Non-profit Organizations, NBFC's
- Educational Institutions
- Embassies & Consulates
- Consultancies
- Industry / trade associations

Sectors We Cover

- Ayurvedic And Herbal Medicines, Herbal Cosmetics
- Alcoholic And Non Alcoholic Beverages, Drinks
- Adhesives, Industrial Adhesive, Sealants, Glues, Gum & Resin
- Activated Carbon & Activated Charcoal
- Aluminium And Aluminium Extrusion Profiles & Sections,
- Bio-fertilizers And Biotechnology
- Breakfast Snacks And Cereal Food
- Bicycle Tyres & Tubes, Bicycle Parts, Bicycle Assembling

Sectors We Cover *Cont...*

- Bamboo And Cane Based Projects
- Building Materials And Construction Projects
- Biodegradable & Bioplastic Based Projects
- Chemicals (Organic And Inorganic)
- Confectionery, Bakery/Baking And Other Food
- Cereal Processing
- Coconut And Coconut Based Products
- Cold Storage For Fruits & Vegetables
- Coal & Coal Byproduct

Sectors We Cover *Cont...*

- Copper & Copper Based Projects
- Dairy/Milk Processing
- Disinfectants, Pesticides, Insecticides, Mosquito Repellents,
- Electrical, Electronic And Computer based Projects
- Essential Oils, Oils & Fats And Allied
- Engineering Goods
- Fibre Glass & Float Glass
- Fast Moving Consumer Goods
- Food, Bakery, Agro Processing

Sectors We Cover *Cont...*

- Fruits & Vegetables Processing
- Ferro Alloys Based Projects
- Fertilizers & Biofertilizers
- Ginger & Ginger Based Projects
- Herbs And Medicinal Cultivation And Jatropha (Biofuel)
- Hotel & Hospitality Projects
- Hospital Based Projects
- Herbal Based Projects
- Inks, Stationery And Export Industries

Sectors We Cover *Cont...*

- Infrastructure Projects
- Jute & Jute Based Products
- Leather And Leather Based Projects
- Leisure & Entertainment Based Projects
- Livestock Farming Of Birds & Animals
- Minerals And Minerals
- Maize Processing(Wet Milling) & Maize Based Projects
- Medical Plastics, Disposables Plastic Syringe, Blood Bags
- Organic Farming, Neem Products Etc.

Sectors We Cover *Cont...*

- Paints, Pigments, Varnish & Lacquer
- Paper And Paper Board, Paper Recycling Projects
- Printing Inks
- Packaging Based Projects
- Perfumes, Cosmetics And Flavours
- Power Generation Based Projects & Renewable Energy Based Projects
- Pharmaceuticals And Drugs
- Plantations, Farming And Cultivations
- Plastic Film, Plastic Waste And Plastic Compounds
- Plastic, PVC, PET, HDPE, LDPE Etc.

Sectors We Cover *Cont...*

- Potato And Potato Based Projects
- Printing And Packaging
- Real Estate, Leisure And Hospitality
- Rubber And Rubber Products
- Soaps And Detergents
- Stationary Products
- Spices And Snacks Food
- Steel & Steel Products
- Textile Auxiliary And Chemicals

Sectors We Cover *Cont...*

- Township & Residential Complex
- Textiles And Readymade Garments
- Waste Management & Recycling
- Wood & Wood Products
- Water Industry(Packaged Drinking Water & Mineral Water)
- Wire & Cable

Objective

- To get a detailed scenario of the industry along with its structure and classification
- To provide a comprehensive analysis of the industry by covering aspects like:
 - Growth drivers of the industry
 - Latest market trends
 - Insights on regulatory framework
 - SWOT Analysis
 - Demand-Supply Situation
 - Foreign Trade
 - Porters 5 Forces Analysis

Objective

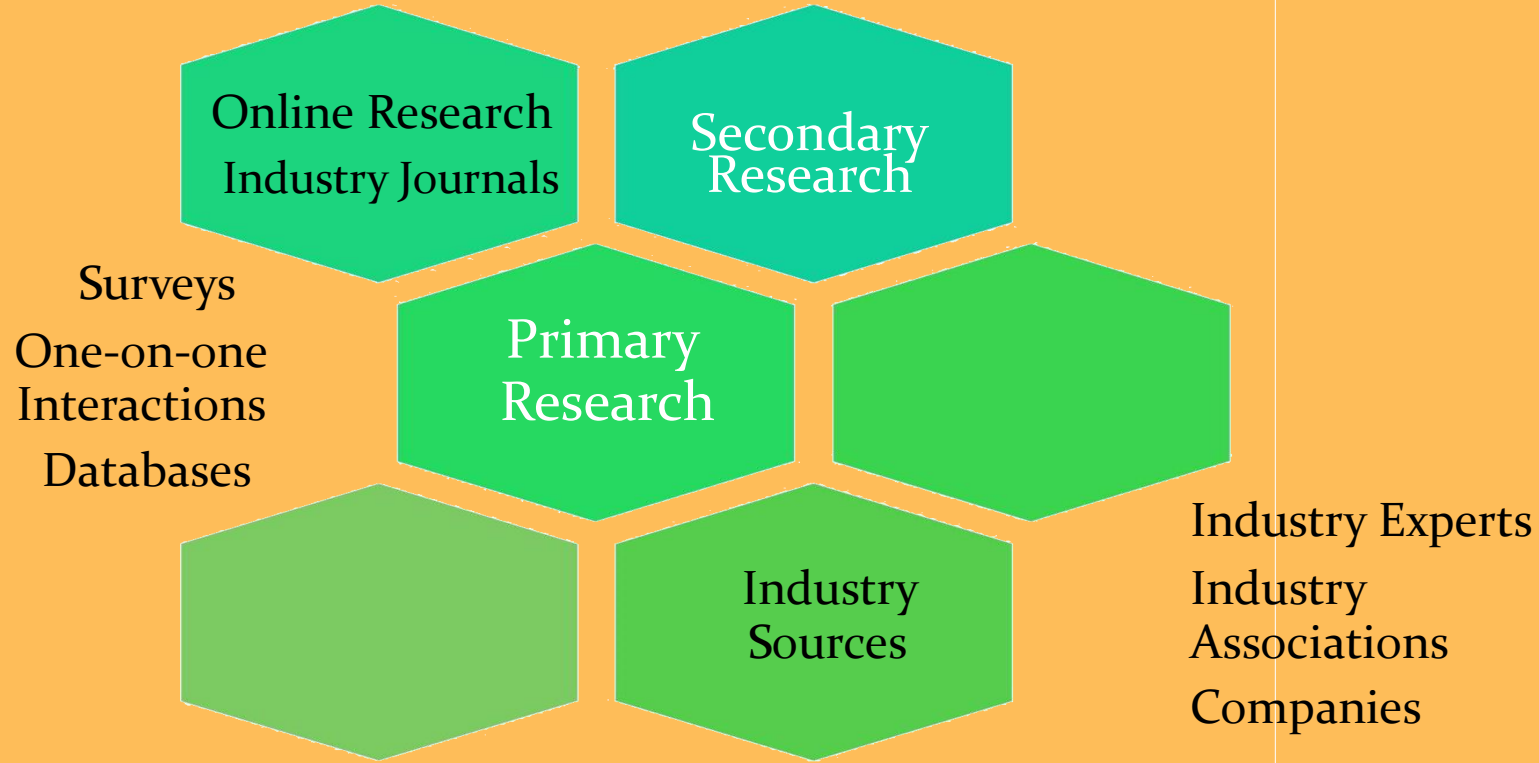
- To provide forecasts of key parameters which helps to anticipate the industry performance
- To help chart growth trajectory of a business by detailing the factors that affect the industry growth
- To help an entrepreneur/manager in keeping abreast with the changes in the industry
- To evaluate the competitive landscape of the industry by detailing:
 - Key players with their market shares
 - Financial comparison of present players

Clientele

- Venturist/Capitalists
- Entrepreneur/Companies
- Industry Researchers
- Investment Funds
- Foreign Investors, NRI's
- Project Consultants/Chartered Accountants
- Banks
- Corporates

[Click here for list](#)

Data Sources



Scope & Coverage



Our Team

⌘ Our research team comprises of experts from various financial fields:

⌘ MBA's

⌘ Industry Researchers

⌘ Financial Planners

⌘ Research veterans with decades of experience

Structure of the Report

1. Overview
2. Market Analysis
 - 2.1 Growth Drivers
 - 2.2 Emerging Trends in the Industry
 - 2.3 Regulatory Framework
 - 2.4 SWOT Analysis
 - 2.5 Herfindahl–Hirschman Index (HHI)
3. Market Forecasts
4. Key Players

Structure of the Report

Cont

5. Key Financials and Analysis

5.1 Contact Information

5.2 Key Financials

5.3 Financial comparison

6. Industry Size & Outlook

Contact us

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