

Paint Manufacturing Industry -

**Market Survey cum Detailed
Techno Economic Feasibility
Project Report**

Introduction

Paint is a term used to describe a number of substances that consist of a pigment suspended in a liquid or paste vehicle such as oil or water. With a brush, a roller, or a spray gun, paint is applied in a thin coat to various surfaces such as wood, metal, or stone. Although it's primary purpose is to protect the surface to which it is applied, paint also provides decoration.



The paint industry worldwide is classified into two segments viz. decorative and industrial segment in India constitutes nearly 70% of the market whereas the scenario is just the reverse in the developed countries. In India, the market for industrial paints (30% of the overall market) is growing faster than that for decorative paints. The paints majors were switching over to industrial paints sensing better prospects of the segment. The industrial paints are produced principally by the organized sector as this segment is relatively more technology driven.

Decorative Segment is dominated by the unorganized sector which now accounts for 70% of the total paint production as against 75% three to four years ago. The unorganized sector has an advantage over the organized sector since it is fully exempted from the 20% excise duty and other government levies. The major players in the decorative segment are Asian Paints, Kansai Nerolac (earlier Goodlass Nerolac), Berger Paints, ICI, Jenson & Nicholson, Shalimar Paints and Garware Paints. Each company has its relative strength in one or the other types of paints:

Asian Paints has the widest range; Kansai Nerolac is strong in distempers; Berger Paints and ICI focus on emulsions; and Jenson & Nicholson in enamel paints. Kansai Nerolac has a higher proportion of industrial paints while others generally have a high proportion of decorative paints. Most of these major players, however, also produce other types of paints in which they are not dominant.

Paints and their allied products like enamels, varnishes, pigments, printing inks and synthetic resins protect national assets from corrosion. These are increasingly being and consumer durable sectors. Thus economic development has a direct bearing on the paint industry. More investment in housing and infrastructure would mean greater demand for paints as most people aspire for better lifestyles.

There is tremendous potential for the paints manufacturers in India because as against an average per capita consumption of paints in India is very less. The Indian paints market may grow over the next decade at 15 to 20 per cent per annum. There is a very bright future in paint industry and new entrepreneurs should venture into this segment.

Few Indian Major Players are as under

- Addisons Paints & Chemicals Ltd.
- Advance Paints Pvt. Ltd.
- American Paints (India) Ltd.
- Asian Paints Industrial Coatings Ltd.
- Asian Pains Ltd.
- Bangalore Paints Ltd.
- Beepee Coatings Pvt. Ltd.

- Berger Paints India Ltd.
- D I C Coatings India Ltd.
- Deve Paints Ltd.
- Elantas Beck India Ltd.
- Jenson & Nicholson (India) Ltd.
- Kansai Nerolac Paints Ltd.
- Mercury Paints & Varnishes Ltd.
- Multilac Surface Coating (India) Ltd.
- Mysore Paints & Varnish Ltd.

- N C L Alltek & Seccolor Ltd.
- Pelican Paints Ltd.
- Rajit Paints Ltd.
- Ravi Paints & Chemicals Ltd.
- Rich Paints Ltd.
- Sarika Paints Ltd.
- Shalimar Paints Ltd.
- Sigma Paints Ltd.
- Special Paints Ltd.
- Tamil Nadu Paints & Allied Products Ltd.

Project at a Glance

PROJECT AT A GLANCE				(Rs. in lacs)			
COST OF PROJECT				MEANS OF FINANCE			
Particulars	Existing	Proposed	Total	Particulars	Existing	Proposed	Total
Land & Site Development Exp.	0.00	50.00	50.00	Capital	0.00	75.85	75.85
Buildings	0.00	89.00	89.00	Share Premium	0.00	0.00	0.00
Plant & Machineries	0.00	96.50	96.50	Other Type Share Capital	0.00	0.00	0.00
Motor Vehicles	0.00	8.00	8.00	Reserves & Surplus	0.00	0.00	0.00
Office Automation Equipments	0.00	23.00	23.00	Cash Subsidy	0.00	0.00	0.00
Technical Knowhow Fees & Exp.	0.00	15.00	15.00	Internal Cash Accruals	0.00	0.00	0.00
Franchise & Other Deposits	0.00	0.00	0.00	Long/Medium Term Borrowings	0.00	227.54	227.54
Preliminary& Pre-operative Exp	0.00	2.00	2.00	Debentures / Bonds	0.00	0.00	0.00
Provision for Contingencies	0.00	8.00	8.00	Unsecured Loans/Deposits	0.00	0.00	0.00
Margin Money - Working Capital	0.00	11.89	11.89				
TOTAL	0.00	303.39	303.39	TOTAL	0.00	303.39	303.39

Project at a Glance

Year	Annualised		Book Value	Debt	Dividend	Retained Earnings		Payout	Probable Market Price	P/E Ratio	Yield Price/ Book Value
	EPS	CEPS	Per Share		Per Share	Per Share				No.of Times	
	Rs	Rs	Rs	Rs	Rs	%	Rs	%	Rs		%
1-2	5.06	8.94	15.06	24.00	0.00	100.00	5.06	0.00	5.06	1.00	0.00
2-3	7.64	11.04	22.69	18.00	0.00	100.00	7.64	0.00	7.64	1.00	0.00
3-4	10.18	13.17	32.87	12.00	0.00	100.00	10.18	0.00	10.18	1.00	0.00
4-5	12.66	15.29	45.53	6.00	0.00	100.00	12.66	0.00	12.66	1.00	0.00
5-6	15.06	17.38	60.59	0.00	0.00	100.00	15.06	0.00	15.06	1.00	0.00

Project at a Glance

Year	D. S. C. R.			Debt / - Deposits Debt	Equity as- Equity	Total Net Worth	Return on Net Worth	Profitability Ratio					Assets Turnover Ratio	Current Ratio
	Individual	Cumulative	Overall					GPM	PBT	PAT	Net Contribut ion	P/V Ratio		
	(Number of times)			(Number of times)		%	%	%	%	%		%		
Initial				3.00	3.00									
1-2	1.32	1.32		1.59	1.59	1.90		28.75%	16.07%	11.33%	220.01	65.02%	1.06	0.86
2-3	1.59	1.45		0.79	0.79	1.03		32.21%	22.24%	14.67%	246.14	62.34%	1.17	1.31
3-4	1.91	1.59	1.91	0.37	0.37	0.55		34.54%	26.61%	17.11%	281.05	62.29%	1.20	1.89
4-5	2.30	1.74		0.13	0.13	0.28		36.13%	29.74%	18.92%	315.96	62.25%	1.17	2.56
5-6	2.76	1.91		0.00	0.00	0.12		37.18%	32.01%	20.25%	350.87	62.21%	1.11	5.96

Project at a Glance

BEP	
BEP - Maximum Utilisation Year	5
Cash BEP (% of Installed Capacity)	43.03%
Total BEP (% of Installed Capacity)	48.05%
IRR, PAYBACK and FACR	
Internal Rate of Return .. (In %age)	24.28%
Payback Period of the Project is (In Years)	2 Years 4 Months
Fixed Assets Coverage Ratio (No. of times)	3.195

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- *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*

- *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*

- *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*

- *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*



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

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