



## Prospects of Paint Industry in Automotive Segment: A Review

**Rashi Sachdeva**

Assistant Professor in Commerce, Dyal Singh College, Karnal

The literature available with respect to the paint Industry shows the different studies have been conducted from time to time about the share of different paint companies. The literature shows that major dominance is Nerolac Paints particularly under automotive segment.

Roy Abhijit, Vice President, Berger paints and by Parthasarathy Devaraj (1998): undertook an in depth analysis regarding KNPL. According to them, competitor plant at a cost of Rs. 68 crore which will start production in 2 or 3 years. Berger paints has 75% of its business in decorative paints in India. And the share of Nerolac Paints in automotive segment is expected to grow at 18-20%.

The major players are (By Parthasarthy Devaraj 1999) contributed editor of the Industrial Paint Ltd, Shalimar). Asian Paints Godless Nerolac, Berger recently world leaders like Dupont and BAS have set up base in India. Kansai Nerolac Paints of Japan which entered into Collaboration with Goodlass Nerolac in 1984 is now the holding company for Nerolac with 64.52% equity holding.

Venkatraman Latha (Sep 8\*1999): said that the demand in Paint Industry, which has been maintaining an upward curve in its sales and profits, is expected to continue. Its

growth momentum and tum is a 10% growth in the current fiscal.

Tripathi C.P. (2000), Bajaj auto's V.P. (said that the spillage of paint had occurred when miscreants had tampered with a consignment of 185 barrels of paint that was being sent back to its supplier in Mumbai. He also said that we are not responsible for it in anyway. It's the contractor responsibility.

Venkatesh T.R. (2002) Managing Director, Goodlass Nerolac Paints, spokes person to Business Line. He stated that constraints on capacity had earlier forced the company to focus more on industrial paints. The company is low trying to rectify this through its renewed focus on decorative. This would also help the company even out the impact of cycle in industrial profits.

Bharuka H.M. (2003) conceptualized" On a larger turnover base 30% would still be higher than what it is today. He also stated that earlier this segment was contractor driven, with aggressive marketing in the industry was brought the consumer to the forefront according to him the paint companies have worked towards expending the market.

Anbalagan, (12th Nov 2004): An article regarding prospects of paint Industry in automotive segment was published



by conceptualized that."The company has presence in the paint business, Both this segment constitutes 92% of the top line of APIL in Industrial coating segment.

Another research was conducted (Nov. 2005) A review of the developments within paint industry by Katrina's Lawsuit surge This research analyses the development and present situation of the paint producer sector and its main marketing channel, especially paints shops, as well as the segments of decorative paints, automobile terminals and industrial paints.

Dr. Pai Udhay Lal (Nov. 2006) stated in an article" Indian paint industry draws a rosy picture" The industrial paint segment accounts for 35% of the paint market while the decorative paints segment accounts for 65% of paints sold in India. The most developed countries, the ratio of industrial paints vis-avis decorative paints is around 50:50.

Higher growth is likely in the decorative paints segment driven by the construction and housing boom. Close to 50% of the demand for industrial paints comes from the automotive sector. A sharp spike in the fortunes of this segment, led to re-rating of Good lass Nerolac a dominant player in the category.

"Chinese market for paint and coating chemical (Nov. 112006): A study related to prospect of paint Industry in automotive segment was also conducted in China and a report was published.

"China has experienced over tow decades of high economics growth which has been stimulated by consecutive increase of industrial output, consumer consumption and capital investment China GDP has been growing at 98% per annum.

This report examines China macro economics trends investment environment, paints and coating chemical industry structure and capacities, production and demand. This report contains over 60 tables and charts.

Another report on profile of Indian paint Industry (3'd Edition) published on (7th July 2007) covering Indian only."This report provides up to date statistics and information on the following :

- History of paint production.
- Paint consumption and per Capita use in automotive segment. Information in paint procedure. Growth rates of KNPL (etc) Harbinder Singh (July 2007), area sales manager of KNP: Srinagar July 1st Kansai Nerolac Paints (KNP) a paint giant of Japan, crossed Rs. 5 Cr sale mark in Kashmir in June 2007(Company Statement) After taking over the Good lass Nerolac paints in 2006 the KNP has made its presence felt more strategy in the business market in India. He also said that KNP was thankful to its dealers for their support in making KNP a successful business giant and one of the market headers in the paint world."
- Satyanand Mohit (Oct. 6th 2007): Conceptualized in a newspaper, he said that earlier called GNP, this company was part of the house of tata. By July 2006, the tata group had



completed the sale of its shake in the company to Kansai Nerolac Paints; A Japanese paint major, which now holds 64.50% of the equity in the company. The Indian public holds 11% of KNPL share, which have a face value of Rs. 10

With strong growth in the housing and automobile sector (Saini Ashok, V.P. Good lass nerolac Paints Ltd), the paint industry is expected to do well in the next several years. In the automotive sector, the car segment has been growing at 24% and the commercial vehicles segment at 32%. This trend continues it is good for Good lass. The company has a strong presence in the industrial paint segment and is a leader in the automotive paints.

Bharuka H.M., managing Director of Kansai Nerolac told Financial Express, "The auto paint segment will be moving towards water based products in 2 to 3 years."

While newer painting techniques like 3 wet on wet coat have been developed, auto companies so as to reduce the cost.

As study shows the weakness of KNPL, regarding that a report was published by ICICI on Kansai Nerolac Paints results were weaker that expectation primarily due to margin pressure, especially in the Industrial Paint Segment.

## **BIBLIOGRAPHY**

D.W Optiz and R Maclin, (1999) "Popular ensemble Methods: An empirical Study." Artificial intelligence Research, volli", p. p. 169-198,

L. Breidman (1996), "Bagging Predictors", Mach Learn, vol. 24, No 2, p-p.-123-13,

B.E. Rosen (1996), "Ensemble learning using decor-related neural Network." Connection science, Vol 8, p. p. 373-383.

Kothari C.R: (2007) Business Research Methodology, New Delhi New age International publisher(2"d revised Ed).

Malhotra, Naresh K and crisp, Mike (2000), Marketing Research, An applied orientation (European Edition).

"Kotler's (2002) Strategic perspective on the new Marketing", rev. By Craig Henry. Strategy and leadership Vol. 30, issue 4.

Dr. pai Udhay Lal (Nov, 2006) "Indian Paint industry draws a rosy picture", exclusively for investorideas. com, November

Lawsuit surge Katrina's (2005) "A Review of the developments with m the paint industry, covering the main marketing channels and the companies with in the different segments, November

([www.wresearchandmarkets.com/reports](http://www.wresearchandmarkets.com/reports))

John (1997), "Automatic paint performance surveying the scene, (coating experience on automobiles: JCT coatings Tech Publishers, July

## **Reports**

Report on Paints and coatings: Global Markets and advanced Technologies, Published on Nov, 2007 and



published by BCC > [http://www.members](http://www.members.tripod.com/umesh) tripod.com/umesh  
 Research. R/paint Proiects.htm  
 ICICI Report on Kansai Nerolac paints 2001- >  
 2002 [http://www.investeconomics.indiatimes.c](http://www.investeconomics.indiatimes.com)  
 Reports on Profile of Indian Paint Industry [om](http://www.investeconomics.indiatimes.com)  
 (3<sup>rd</sup>ed.), covering India > [www.domain-b.com](http://www.domain-b.com)  
 only 2006-07 > [www.strategicmarketing.com](http://www.strategicmarketing.com)  
**Websites** >> [http//www. domain-b. com/industrybaint.](http://www.domain-b.com/industrybaint.html)  
 >[www.marketresearch.com](http://www.marketresearch.com) html  
 >>>[www.krolfind.com](http://www.krolfind.com) (30.000 articles) )>[www.google.com](http://www.google.com)  
 > [www.informationsearch.co.in](http://www.informationsearch.co.in) >[www.yahoo.com](http://www.yahoo.com)  
 > [khushboo.n@hivement.com](mailto:khushboo.n@hivement.com) >  
 > [www.nerolac.com](http://www.nerolac.com) [www.altavista.com](http://www.altavista.com)