CHAPTER 3 :- GENERAL OVERVIEW

The paint industry in general is segmented into two parts that is decorative segment and industrial segment. In Saurashtra region the scenario of the market is just reverse then the developing countries and States where the paint industry constitutes of 60% of the market.

**STRUCTURE OF THE PAINT INDUSTRY**

- INDIAN PAINT INDUSTRY
  - DECORATIVE SEGMENT (70%)
    - PREMIUM RANGE
      - HIGH END ACRELYC EMULSION
    - MEDIUM RANGE
      - ENAMEL PAINTS
    - DISTEMPE R RANGE
      - LOW END PAINTS
  - INDUSTRIAL SEGMENT (30%)
    - AUTOMOTIVE SECTOR
      - 2/3 rd SHARE
    - CONSUMER DURABLES, MARINE PAINTS, OTHER OEMs
    - SUB URBAN AND RURAL AREAS
  - SMALL CITIES
In the decorative segment the total paint production is the unorganised sector which is dominated by 70% of the total paint production which has now accounted to 60% for the dominant areas of the market. There has been an advantage as well as disadvantage after the government duties and variations that have been determined over 6 months still today paints are considered as luxurious product in Saurashtra region.

3.1 Paint market

In the organised sector market is estimated 4 more than 60% in the decorative segment comprising of industrial Products, general categories, powder coatings, marine Products, automotive Paints, and Furnishing of home appliances which has more than 60% of the total share of the market.

The Indian paint industry has the main involvement of the customer which has the benefit of having higher patterns of demand over the years mainly in the festival season and other routine operational business which is mainly connected with the sensitive topic of the price and quality having different shift from brand equity to brand development in the market. This involvement rice is mainly due to this service involved into the chain network off the paint market, the communication medium in the cyclic demand and having comparative prices for the GDP growth and brand building of FMCG commodities which involves the need of the customer and the
variety of choices. The online services in marketing strategies has also been involved in recent years which involves the R&D department in the research which helps in developing newest designs and textures for competing in the future market.

3.2 Segments
The paints can be classified into decorative or architectural Paints and industrial Paints in the production line which covers the major part of the housing sector involving the automotive paint market which is mainly consumed by the former player off the paint industry in Saurashtra region. The decorative Paints covers around 50% of the market in the organised sector and has dominance over the industrial Paints including the Powder coatings and also higher performance then the emulsion Paints are separated by the automotive and Marine Paints which are produced in terms of two third sales off the market in the northern part of the Saurashtra region. The industrial Paints also covers 30% of the market and has success ratios more than the decorative Paints in terms of strong distribution network which acts as the barrier for the new entry in the market and also has a distribution strength, with the wide variety of Shades and distribution network giving the evidence of the brand equity and efficient working capital which is the deciding factor for the success rates in the paint industry in the Saurashtra region. The reason for the higher segment of the decorative Paints is due to the involvement of the festival seasons which mainly focuses on repainting the houses, wall finishes which is followed by 50% of the people which covers the large segment of the enamel which is taken into account for calculating the growth in the decorative segment. There is no seasonal demand for the industrial segment covering the primers and Wood finishes which has the economic drop mainly during march to April season having the wide and continuous flow of goods for the entire year due to the working environment of the industry and the temperature variations which avails the needs of repainting the walls of the industry.
The main season for the decorative Paints are mainly from September to April in which people paint their houses which includes the festivals like Diwali and Holi covering the characteristics of the period changes in the climate of the Saurashtra region. The overall growth in the industrial statement I mainly due to the technological various which mainly persist in the automobile sector which carried out the customized solutions and range of products giving more importance to the services and feedback in the competitive strength off the market. The technological advancement by the Giants players is also a disadvantage for the local communities to fight against in the Saurashtra region which affects the overall growth of the industrial segments as well as the decorative segments and also contributes for generating more than 60% of the revenues to slow down the automobile sector at various areas.

In the paint sector the main proportion is involved comprising of segments of marine Paints, powder coatings another industrial machines and white goods like washing machine, refrigerators are likely to rise in recent years due to the demand of price sensitive products of the decorative Paints which has been highly involved for the low budget margin and in the peak business period like the festival seasons and after the monsoon season. The distribution network also helps to generate the demand in the industrial segment for the higher volume but low margin business in the Saurashtra region where people focuses on covering the patches of the houses and not much more. The slack in the construction industry has also been the factor...
behind the rise of the cyclic movement in the decorative sector in spite of having the excellent marketing strategy and the technological superiority for the assured business at the household sector and retail outlets. The main focus of the companies are towards the industrial Paints due to the all year season to develop the future prospects of variety of products to develop the inline sales at Higher volumes and growth at regular interval of time.

3.3 Demand for paints in two categories

Decorative sector
Value added decorative services leads to the strength of the market which is added to the solution offering the market size of Saurashtra in the paint category for calculating the size of the market of the decorative Paints which is around 30 million rupees in which Asian Paints is considered to be the leader of the market.

Industrial sector
Talking about the leader of the market as for Asian Paints provides four types of industrial coatings which are considered as under:
Protective coatings: Under this category the main function of the Paints is to protect the structure under the vivid climates, pollutions and also protect the Steel and concrete structures from the horse climates in which the acids, oils and solvents plays important role in damaging the walls of the buildings.
Road markings: This includes the thermoplastic materials as for the retro reflective thermoplastics which are used as the indicator of land separation which are used as the road markers and also as the safety measurement in the water borne Paints for the retro reflective materials.

Powder coatings: The main function of this type of paints is to increase the oral performance of the paints in the industrial sector and provide longer life to the walls of the industry.

Floor coatings: Most of the raw materials in the paint industry manufacturing petroleum based which generally uses titanium dioxide as the base of the raw material to process. This involves the industrial sector for the intensive of having derivatives of more than 25% of the petroleum based products from 300 raw materials which helps to protect surface of the floor and also prevents the formation of the cracks where the water leakage problems can be detected.
3.3.1 - Insights Of Decorative segment

The decorative paints are mainly related with the housing applications which is dependent on the seasonal demands off the market. The decorative Paints again divided into the three broad categories of premium decorative which consists of acrylics and emulsions which are used in the metro cities. The medium range of products which are popular in the small towns and connected cities consist of enamels. Distemper is the low range products which are mainly used in the villages nowadays and in rural markets having the economic criteria of surviving in the market.

The brand image of any company depends on the base of the competition, understanding the market criteria, locating the customers and the distribution network is considered to be the key factor for the success of the company as well as the entry barriers for the new localites who want to establish their name in the market. The unbranded products in the decorative segment also have its own market in which the cheap rates are the prior goal of the company manufacturing low quality products and having fewer varieties but also have a share of 20% in the unorganised sector.

The graph indicates the consumption of the paints in the Saurashtra market which are sold under decorative sector consisting of enamels, distemper, emulsions and wood finishes. The current producers having highest share in the Saurashtra market
are Asian Paints, Kansai Nerolac and Berger Paints comprising of the synthetic materials and resins top Paints for all types of paints and the major portfolio in the market.

For the organised sector enamels have shown reasonable growth at a steady state but has gradual shift to distemper and emulsions.

3.3.2 - Industrial segment

The significant influence of the industries in the paint industry has the largest volume with the significant gains providing the foremost quality to the clients who are far better than the decorative Paints. The technological advancement that are made in the industrial Paints has reached the Heights of delivering the best possible quality to the industries where special purpose of paints are used due to the change in the temperature off the walls for the working conditions in that particular premises. The industries are in constant need of repainting the surfaces and thus long lasting paints are preferred. Due to the strong financial background companies regular prices to the brands of the paint companies without need of any schemes discount rates and thus paint industries tries to capture maximum amount of industrial market and establishing a strong distribution network with their clients. Technology and Services are constantly updating in the industrial Paints unlike the decorative Paints because they comprises of high performance coatings like Marine Paints, powder coatings, wood finishes and other Automotive products which can sustain the life of the walls.
If we talk about the industrial sector then kansai Nerolac is the leader for the automobiles, engineering and consumer durable goods and has the growth rate of nearly 15% every year in the industrial sector. The high performance coatings in the automobile Paints constitute large number of suppliers which has the reliability and quality standards to offer coating systems with large share of industrial Paints. The anti corrosion properties for the installation of fertilizers, petrochemicals and synthetic oils are very important for the consumer goods products like refrigerators in washing machines in order to make them protective from the temperatures of outside as well as inside. Marine Paints are usually used for the painting of ships bottoms and vessels in order to make them water resistance and free from corrosion. Most of the Paints used in the industries of the Saurashtra market are manufactured in-house factories by blending the different raw materials available from different areas and mixing them at their premises. This makes them available the faster delivery of goods at the peak timings of demand in the automotive sector which has the higher growth rate for many numbers of new entries like Mercedes, Hyundai, Honda and other brands which have set up there workshops in Saurashtra region. There is an increase in the sales of the white goods determining the growth rate of the Powder coatings for a steady supply in the refinery segments especially for the thermal and nuclear plants.
where temperature variations are at very high rate which also affects the sales of the high performance coatings.

3.3.3 - Features of the decorative sector

Mainly focuses on the residence
The premium products such as acrylic emulsions categorised under premium decorative Paints are used mostly in big cities. The enamels consisting of medium range products are mostly popular in semi urban markets and small cities. While the distempers categorised under economic products is generally under demand in rural markets and villages.

The key factor determining the success ratio in decorative Paints is the distribution network which also acts as the entry barrier for the new entrance. The distempers also cover 20% of the total market share in Saurashtra.
For the decorative segment the major concerns for the company is brand equity, variety of Shades and distribution network having enough Working Capital Management to survive in the market.
For dividing the same segment of the decorative Paints enamel is considered to be the second largest product to be taken in account for covering 50% of the residential market which includes wall finishes, wood finishes and primers.
Decorative segment is generally based on the seasonal growth in which the market has its peak period mainly from October to February in the Saurashtra market and also in the festival Seasons like Diwali, and Janmastami when major painting works are carried out.

3.3.4 - Features of industrial segment

In terms of volume no one can get hold of the industrial segments. The technological advancement and other facilities are mainly dependent on the demands of the industrial paints in the Saurashtra culture. There is no such thing like brand building in industrial Paints but to capture the technological benefits and provide high quality products by establishing strong relationships with the industrial businesses is the prime motive of the paint companies in Saurashtra region.

Industrial paints comprises of performance products for long lasting effect and protection such as automotive Paints, high performance coating Paints, marine Paints and other powder coatings.

More than 50% of the industrial Paints consist of the automotive usage which is one third as compared to the powder coatings and high-performance paints. Due to the slack in the market of industrial Paints the automotive sector was still at the growth of the new entrance like Mercedes, Hyundai and Honda companies which
were in continuous need of powder coatings and other Paints for multipurpose applications.

3.4 - Manufacturing Process and Formulation

Deciding inputs
The major deciding factor in the paint industry is the raw material. The involvement of the raw material in various proportions is highly intensive and of a wide variety. More than 50% of the total sales for the industry are accounted for raw materials in which the small scale units also from UPS up to 60% of the total net sales based on raw materials.

<table>
<thead>
<tr>
<th>MAJOR INPUTS</th>
<th>MAJOR PRODUCTS</th>
<th>END USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAW MATERIAL (55%)</td>
<td>DECORATIVE PRODUCTS: PAINTS, EMULSIONS, VARNISHES, DISTEMPER, WOOD FINISH, METAL FINISH, SPECIALIZED</td>
<td>HOUSEHOLDS, CONSTRUCTION FIRMS (70%)</td>
</tr>
<tr>
<td>SELLING AND ADMINISTRATION EXPENSES</td>
<td>INDUSTRIAL PRODUCTS: POWDER COATING, SURFACE COATING, FLOOR COATING, HIGH PERFORMANCE COATINGS, SPECIALIZED COATINGS</td>
<td>AUTOMOBILE OEMs, CONSUMER GOODS, MANUFACTURE RSM MARINE INDUSTRIES</td>
</tr>
<tr>
<td>EMPLOYEE COST (22%)</td>
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</table>

In the Saurashtra region the major distribution of the raw materials required manufacturing units of different kinds for the high cost and constant availability for
highlighting the intensity of the finished goods from the working capital at a higher number.

The impact of the petroleum based products which are majorly as the inputs of the manufacturing of planes are considered to be the cyclical benefits as when the prices of the crude goes down the company gets benefit from it to cut down the input cost and negotiating their profits. Due to the high inventory marginal cost where is a constant crisis of raw materials which frequently runs into the shortage of supply and specific material which are used for the special effects can causes manufacturing problems due to the shortage and so more than 20% of the total raw materials are imported outside of Gujarat in the paint industry.

These raw materials are again divided into three major categories such as pigments like titanium oxide, zinc oxide, etc. the solvents which are mineral turpentine with the resins and additives forming the major part of the manufacturing process.

<table>
<thead>
<tr>
<th>Pigments</th>
<th>Solvents</th>
<th>Additives</th>
<th>Binders</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Titanium Dioxide</td>
<td>• Minerals</td>
<td>• Alkaloids</td>
<td>• Oils</td>
</tr>
<tr>
<td>• Zinc oxide</td>
<td>• Turpentine</td>
<td>• Emulsion Polymers</td>
<td>• resins</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Amino resins</td>
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Solvents are considered to be the volatile organic compounds which have the physical properties to change the characteristic of other materials and are used to dissolve and suspend with other substance. The cost of the formation of the paint is thus reduced by the solvent to lower the viscosity of the paints at the desired level.
and also contains more than 70% of the liquid paint which almost escapes into the environment when the fluid is dried. The oils, resins, and other plasticizers which give the protective property to the paint are known as binders. The examples of such type of material are alkaloids, emulsion polymers, amino resins, etc. The small portion of other materials which are added in order to improve the performance of the paint are known as additives which helps to improve the characteristics in different ways such as protecting against weather like fungi sides, drying agent, protection against moisture like driers and screening inhibitors.

3.5 Raw material of paint industry
The increasing price of the raw materials in terms of value and quality used to process them are differentiated according to the total production cost and other import duties mainly used for titanium oxide, phthalic anhydride, pentaerithrithol which constitutes of more than 30% of total requirement of the raw materials. On the other hand the increase in the price due to the recession, the slowdown in the construction business and real estate and the inability to pass a price increase which covers the major areas of concern. Nearly half of the petroleum products are being imported from the foreign countries by the manufacturers of the Saurashtra region which increases the overall price of the final products and also leads to rise in the scarcity of the goods which makes available the Global reserves effects and the bottom line players of the market. The main constitutes of the liquid Paints are finally divided in the form of pigments which are composed of resins or binders having the volatile solvent properties dissolved in a liquid. The manufacturing agents of the Paints consists of three main components namely pigments, binders and solvents also known as thinners addition to which other substances for special properties at special applications like many additives. Vehicles which are the liquid portion of the Paints generally consist of two parts that is volatile substance and non volatile substance. The volatile substances include alcohols, ketones and other aromatics which inhibit the effective agent of the Paints. The non volatile substances includes additives, lacquers like cellulose and plasticizers and other oils with your drivers which are used as the protecting agent on the surface of the walls.
Considering the different formations off the paint manufacturing it is necessary to understand the function of each component in order to analyse their physical properties as well as function.

**Pigments** are generally considered to be the inorganic substance such as titanium dioxide, zinc, lead and other pigments which are really insoluble with the organic dye known as the toner.

The main function of the pigments is to provide a coloured and pleasing appearance on the surfaces of the walls. The lives of the Paints increases due to the reflection of the light release from the solid particles and thus protect the metals from corrosive factors.

**Binders or vehicles** are generally the substance made up of resins or synthetic oils. The main function of the binders is to provide strength this abstract for the strong bond formation with the pigments.

**Thinners and solvents** are petroleum based products such as toluene, ethylene or xylene. The main function of the volatile substances is to dissolve with the binders and thickness on the Paints to adjust the viscosity on the coated surfaces.

**Fillers** generally calcium carbonate and clay materials. The main function of the fillers also known as pigment extenders used to reduce the cost of the making of paints by controlling the rheorological properties of the Paints like viscosity. There are also **other additives** used in the production of the Paints in which every different additive have specific purpose or function according to the application.

The **driers** like lead, zinc, cobalt and Calcium are used for the drying accelerators of the Paints.

**The anti aging agents** are the additives which are added to the saturated paints in order to prevent the solidification on the surface of the Paints while storage and maintenance.

The anti settling agents are the type of the additives which are used to improve the efficiency of the dispersion properties of the Paints in order to prevent settling down of the pigments at the bottom and to maintain a proper ratio of mixture of paints.

**Plasticizers** are the special type of raisins or synthetic oils such as esters which are used for maintaining the elasticity of the Paints and minimizing defect of cracks in the paint surfaces.

Other additives such as retarding agents and wetting agents used to give specific property of the Paints at specific purpose of application.
3.5.1 Production lines
Different production lines are used for each of the products and separate units facilitated for the requirement of the energy supply as well as maintenance, testing, and storage facilities for further departments. Due to the ongoing batch process in the paint industry the equipment used also needs regular cleaning and services in order to use them in the closed loop of modern plants.

3.5.2 Paste making
Find pigments of paint are sent in the form of grain by the manufacturers of pigment to the paint industry and then a wetting agent known as resin which is helpful in assisting the moisture in the pigment is premixed with the pigment and also additives and solvents are mixed to form paste.

3.5.3 Dispersing the pigment
At this stage for most of the industrial and customer Paints the mixture that is found in the above department is sent to the sand mill which is used to grind the pigment particles and also agitates tiny particles of sand or silica so that the disposing process can make them smaller which the mixture don throughout and again in order to remove the sand particles this mixture is passed through the filter. High speed dispersion method is used by a large cylinder without processing the sand mills for more than 90% of water based latex paints which is designed by house owners individually for the use instead of processing at high speed in processing tank.
3.5.4 Thinning process
Either of the method is used for processing the pigment that is created by sand mill or dispersion tank, for making the final product the test must be thin and passed through the process of large kettles where proper amount of solvent is evaluated for different types of desired paint.

3.5.5 Canning the paint
Now the final product that is obtained by the premixed mixture and cleaning the solvent the finish paint is then pumped into the canning room where according to the need of the customers of the Saurashtra region generally 4 litres of standard paint are horizontally prepared and labeled according to the size of the can. After this process the machine known as bailometer is used for making the handles and hooking them into the holes of the cans. Second machine is used for ceiling the can and pressing the lids on the filled products. As per the market of the Saurashtra region generally 4 litres cans of 4 numbers are packed in a carton and then sent to the warehouse of the dealers.
3.5.6 Formulation of paints

The calculations of the formation of the Paints is based on the selection of the raw materials, their constitutes and accurate calculation of the ratio of the mixtures which gives proper idea of their cost. In general paints are considered to be the mixture of different pigments and fillers dissolved in a liquid and added specific purpose of oils for different applications in order to hide originality of the surfaces and providing a protective layer of resistance with decorative colours glossy look.

In order to credit the properties of the Paints carrying the liquids blend of pigments, fillers, anti corrosion substances like additives the formulation of the Paints should be used as an indicator.

To calculate the PVC indicating the concentration of the pigments then the formula States that the total volume of the pigment should be divided by the total volume of pigment in Paints plus total volume of non volatile substances.

As per the standard formulations the PVC for Major focused products are given as follows

Matte Finish indicates 55 to 70%
Semi gloss indicates 30 to 40%
Glossy Paints indicates 25 to 35%
Exterior Paints indicates 25 to 35%
Metal Primers indicates 25 to 40%
Wood primers indicate 30 to 45%

3.5.7 Equipment used for the manufacturing of the Paints.

Mixers

The main and basic functionality of mixture is to blend different types of components having different properties in order to achieve homogeneity especially in the production of water based Paints.

The main function of the mixtures is considered as follows :

- Mixing of oils and synthetic
- Mixing of coating materials with the pigments and resins
- Making changes in the viscosity of varnishes and Paints
- Mixing of different additives with Paints
- Adjusting the viscosity of the vanishes and adding diluting agents like thinners and solvents
- Adding additives to the water based Paints

There are different types of mixtures available according to the size and purpose of the paint industry suitable for the manufacturer for different applications. Different types of mixtures used for standard proportions are:

- Manual mixers
- Automotive mixtures
- Kneaders
- Colloid Mills

**Mills**

Paint industry uses different types of mills for grinding of paints in order to dissolve the solid particles in the dispersion liquid for making them finest use on the surfaces. There are different types of mills used in the paint industry according to the size and function such as roller Mills, ball Mills and sand mills.

**Filters**

Filters are generally used for separating foreign particles during the manufacturing of paints and varnishes by heating processes of the oils and liquids that Falls into them. Different methods are used for the purification of such Paints and are separated into different tanks.

Single cylinder mills used for separating large pigments and foreign particles and can work as a screen.
Fine screens
Separators screens
3.6 Production lines
The main operation of the production of the paint industry is to understand different input units and their functions for achieving best possible finished item that can be added to the different mixtures and solvents for creating similar protecting layer for the surfaces either for the water based paint as well as solvent based paint.
Mixing and thinning of paints
There are two steps in the mixing process at the first invoice high speed mixing in which the inorganic materials and wetting agents are thoroughly mixed with a particular proportion suggested by the technical expertise. In the second step certain polymers are extended for which the disposable grades of product which includes the blend of titanium dioxide, silica, clay and other oxides needed for the dilution.

Grinding
After the mixing process, the next operation is grinding of the trains which is done by mills and mixing machines rotating at higher speed to dissolve the solid particles left in the liquid.

Mixing of additives
The grinding process the batch is shifted to the mixtures where solvents, water and other additives are mixed for the specific characteristics of the Paints and preservation of the antifoaming agents which helps to increase the life of the Paints on the walls.

Storage process
In many plants after the Giants process of mixing and grinding, the best needs to be allowed to attain the degree of homogeneity and those are transferred to the intermediate storage tanks where they retain their properties.

Filtration process
The batch is again filtered at this stage in order to remove the tiny particles of the pigments for non dispersed elements.

Packaging end storage
The labeling and packaging of the Paints into the canes or drums are then moved to the packing unit and then labeled according to the size.

3.7 Features of industry
If you highlight the major points of the paint industry then the summation of working profile of the paint industry can be abbreviated as follows:

- There are generally three major players of the market of Saurashtra region which controls 60% of the total market share.
- The economic growth in the paint industry is directly linked with the demand for paints as well as the pricing criteria in the industrial field.
- From the last 3 years there has been an average increase in the overall cost of the products by the three major players of the market in Saurashtra.
- In order to maintain the high inventory levels the distribution network plays important role for determining the overall growth and combining dealer customer network into one.
- The foreign collaborations in terms of technical tie UPS and marketing strategies have also played important roles in encouraging the sales of the companies.
- The role of the R and D department is characterized by the per capacity utilization of the Paints as compared to the operating capacity of the companies.
- The overall growth of the production capacities off the paint companies also depends on the capacity utilization that should be as low as possible to get the maximum work with the minimum cost because if the processing time is longer for the smaller batches then the production figures will fall below the operating capacity. If we analyse this fact then go strong reason behind the rise and fall of the costing is the shift of the growth sales from decorative to industrial Paints as compared to the other manufacturers in the premium and emotion segment.
- The entire blame of the recession in the paint industry has been passed to the government by taking two major decisions of demonetization and GST as well as the ignorance of the customers regarding the e-payments and their benefits as well as the habit of cash payments and credit terms which is quite difficult to make a shift.
**Distribution channel** is also played an important role for creating brand awareness among the customers by which they are explained to the benefits for long term in the quality products and the benefits for the cost regarding the average products.

### 3.8 The face of supply

The changes in the preference of the customers regarding the decorative Paints have confused the companies in the Saurashtra market while in the decorative segment but as for industrial segment there is no such scene because of having higher financial backup the companies prefers best products for their protection of the surfaces due to the changing working environment and temperatures in their premises.

#### 3.8.1 - Outsourcing

Differentiating the organised players and unorganised players then in order to compete in the decorative segment the organised players have to focus on the manufacturing of low cost Paints with the quality most of the companies prefers outsourcing for small parts of the production.

**Import criteria**

Some raw materials cannot be formulated in the climatic conditions of India and thus needs to be imported from the foreign cultures as a result of which the overall cost of the product increases due to the increase in the manufacturing cost. This is not the case of industrial paints in which most of the companies in the top level have collaborations with the foreign brands in order to access the latest technology and make them implement in the Saurashtra market.

#### 3.8.2 - Cost built up

For any manufacturing paint company in the Saurashtra market more than 200 different raw materials are petroleum based and this the fluctuations in their prices leads to the fluctuations of the prices in the manufacturing.

If we segment this into different categories then for pigments the main raw material used is Titanium dioxide with itself is around 35% of the total manufacturing cost. This raw material is generally available in two forms namely rutile which is mainly imported by most of the companies and anabases which is generally manufactured in house domestically by major companies in the Saurashtra market. So the
movement in the prices of the crude oils and import duties will directly affect the manufacturing cost which will make impact on the profit margins of the companies.

### 3.9 Highlights

The Indian paint industry possesses more than 45 billion rupees of the organised sector which involves of 8 billion rupees of the total market share equity divided in the Saurashtra region.

As for the total consumption in Saurashtra region of the Paints which is considered by per capital income at 0.6 kg per annum as compared to the other states which has more than 4 kgs per annum of the total consumption mainly in the East and southern parts of India. This ratio shows the total market which has been 30% of round small scale units and 70% including both medium scale and large scale units covering more than 2000 retail outlets which has been controlled by the Giants players off the paint industry.

Dealing with the two major segments of the in Paint industry mainly consisting of industrials segment and decorative segments, the industrials segment is around 30% of the total market where is decorative paint segments is around 70% which indicates the involvement of needs of the customers in the developed areas in which the paints are sold unoccasionally and according to the requirement of the customers.

The ratio of the decorative segment and industrial segment in the developed cities of Saurashtra region is around 60 to 40 while in the rural areas the ratio is around 70 to 30 which indicates the network distribution of the major industries which are highly involved in the inventory levels and has developed market mainly for regular needs in their businesses.

The main reason for the tie-ups between the Global players and local leaders is the technological advancement and benefiting from the r and D department for the future growth and long-term businesses.