

'We will increase consumer business presence, powered by a new brand'

Shalimar Paints MD outlines how the company will rejig, diversify

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Hyderabad, May 4

Shalimar Paints is on a major expansion and diversification drive. The 112-year-old paint-maker, which has a dominant market share in paints for industrial applications, plans to give special thrust to consumer products and step up its retail presence with a new brand. The company will commission a ₹55-crore plant near Chennai later this year.

In an interview with *Business Line*, Sameer Nagpal, Managing Director and CEO of Shalimar Paints, outlined how the company is restructuring and diversifying its business to focus on new segments and new markets. Edited excerpts.

How is Shalimar Paints doing, and what are the new initiatives?

The company has gone through a number of changes over the years. It has long been

focussing on the industrial and institutional segment and we have a very strong position there. In the next few years, we will increase our presence in consumer business and this thrust will be powered by a new brand. This will help us build a unique position, improving distribution efficiency and through new products.

What is the current capacity?

We have three plants in Howrah, Nashik and Sikandarabad (near Delhi) with a combined capacity of 60 million litres. In order to support our aggressive foray into the consumer business, we are setting up new plant near Chennai where we will manufacture the entire range of premium products.

Given the expansion now under way, what kind of growth are you looking at?



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SAMEER NAGPAL
MD & CEO, Shalimar Paints

ed a new strategy to improve our margin profile. While the overall year-on-year sales may be flat, they are yielding much better margins. We have traditionally been strong in the North and East and those segments continue to do well. Now we are strengthening in the West and South.

How big is the country's paint industry?

The Indian paint market is valued at around ₹30,000 crore with roughly 65 per cent decorative and the rest industrial. The slowdown in the economy, combined with raw material inflation, has softened the growth rate of the industry. The impact is more pronounced in the industrial segment as tier II & III cities have propped decorative business growth.

The paint industry normally grows at about twice the growth rate of the country's GDP. We expect to grow at double the market rate of growth. As a part of the shift in focus towards consumer business, we will launch a number of new products next year. This will be complemented by expansion of our dealer network and a brand campaign.

How do you see the 2013-14 fiscal? Any plans to raise funds?

It was a year of transformation for us. We have formulat-