

Industry chapter

Paint products and paint applications industry

Final report

Submitted to Technopaints and Chemical Limited

September 2026

Submitted to...



Crisil

Analytical contacts:

Deepa Pradeep Agarwal
Associate Director, Crisil Limited

Ritika Goyal
Senior Consultant, Crisil Limited

Contents

Glossary	7
Global macroeconomic overview	9
Five-year historical data and growth forecast	9
Macroeconomic overview of India.....	13
GDP trend and composition by sector	13
Real GDP trend	13
Performance of key macroeconomic indicators	18
Overview of the domestic construction sector.....	22
Indian real estate sector overview and outlook	25
Key government schemes focused on construction and infrastructure	27
Budget 2026-2027 and its impact on the construction and infrastructure segment.....	29
Overview of the Paint products market in India.....	32
Paint Industry: Introduction.....	32
Industry structure – organised vs unorganised segment	35
Demand segmentation by region	38
Demand segmentation by water based, solvent based & power based	39
Demand segmentation by paint type.....	39
Growth Drivers	42
Key trends and Impact of commodity prices on margins of the paint industry.....	44
Regulatory framework	45
Overview of the competitive scenario in the paint industry	47
Paint industry structure.....	47
Overview of Chemicals Industry in India:	49
Paint products industry's threats and challenges.....	52
Overview of the paint application industry in India.....	54
Introduction.....	54
Paint Application industry value chain	55
Organised vs unorganised segment	56
Labour intensity & scalability	58
Types of paint application services	59
Types of contracts	60
Industries served	61
Average unit economics	63
Turnkey contracts.....	64
Construction and infrastructure sector	67

Opportunities for growth	71
Project-led brand development and expansion of product sales	71
Government tenders and eligibility criteria	73
Paint application industry growth drivers.....	74
Competitive Landscape	78
Integrated Paint Project Value Chain	80
Competition Benchmarking	91
Operational Benchmarking.....	91
Financial benchmarking	93
Key threats and challenges	96

Crisil

Tables

Table 1: Region-wise and country-wise economic review and outlook.....	9
Table 2: Country-wise GDP (constant 2015 USD)	10
Table 3: Country-wise GDP (current USD)	10
Table 4: Yearly demand-side real GDP growth	14
Table 5: Yearly GVA by economic activity (in Rs Trillion)	15
Table 6: Yearly growth rate of supply-side GVA by economic activity	16
Table 7: State Domestic Product (SDP) Contribution- at current prices (in Rs billions)	16
Table 8: State-wise Gross Value Added by Construction Segment at Current prices (In Rs Billions)	18
Table 9: Indian Paints Product Industry Growth vs Real GDP Growth: Multiplier Analysis	21
Table 10: Indian Paints Product Industry Growth vs Construction GVA Growth: Multiplier Analysis	22
Table 11: Construction capex trend and segment-wise contribution.....	22
Table 12: Construction spends in Infrastructure segment (Rs. Billion)	23
Table 13: Segment wise share of Construction Capex	23
Table 14: Key Government Schemes	27
Table 15: Per capita Paint Consumption	34
Table 16: Key growth drivers.....	42
Table 17: Raw materials cost structure	44
Table 19: Types of contracts and Price Mechanism.....	61
Table 19: For a basic paint application contract:.....	63
Table 20: Composite v/s non-composite contract:	63
Table 21: Indicative per square foot cost structure (as cited in retail market data):.....	64
Table 22: Breakdown by paint category	64
Table 23: Percentage share of various components in total construction expenditure.....	64
Table 24: Customer Issues & how turnkey solution provider solves them	65
Table 25: Comparison of Organized/ B2B Contract Painting and Traditional / Unorganized Painting	65
Table 26: Key Application Markets and Demand Drivers	71
Table 27: Key Players and their Market Differentiators	79
Table 28: Brief profile for the peer-set companies - product portfolio	91
Table 29: Peer-set companies' operational capabilities (figures as of 31 st March, 2026)	92
Table 30: Peer-set comparison on Revenue from Operations and Revenue growth	93
Table 31: Peer-set comparison on Gross Profit and Gross profit margin	94
Table 32: Peer-set comparison on EBITDA, EBITDA margin, EBITDA growth and EBITDA CAGR	94
Table 33: Peer-set comparison on PAT, PAT margin, PAT growth, PAT CAGR	95
Table 34: Peer-set comparison on ROE and ROCE (in %)	95
Table 35: Peer-set comparison on Net debt to operating EBITDA, Net Debt to Total Equity and Debt to Equity (in %)	96
Table 36: Peer-set comparison on Fixed asset turnover ratio, Inventory turnover ratio and Net working capital days (in %)	96

Figures

Figure 1: India's real GDP trend.....	13
Figure 2: India's GDP growth vs GDP growth of developed and emerging economies	14
Figure 3: Split of gross value added (GVA) by type of economic activity (% , Rs trillion)	15
Figure 4: CPI inflation trend	19
Figure 5: WPI inflation trend.....	19
Figure 6: PMI trend	20
Figure 7: IIP trend.....	20
Figure 8: GNI per capita trajectory	21
Figure 9: Global Paints & coatings industry Market size (Volume & Value-wise) (CY2026E) and outlook (CY2030P).....	32
Figure 10: Market size (Volume-wise) review (FY20-25) and outlook (FY25-30P)	33
Figure 11: Market size (Value-wise) review (FY20-25) and outlook (FY25-30P).....	33
Figure 12: Flow of Paint Industry Value Chain	34
Figure 13: Share of organised segment in the paint industry (Volume wise, FY10 and FY25)	36
Figure 14: Demand mix by region	38
Figure 15: Demand segmentation based on Formulation Type	39
Figure 16: Demand mix by paint type (FY25)	40
Figure 17: Demand segmentation by sub-product type (Enamels, emulsions, distempers, primers, wood coatings, putties, etc.)	41
Figure 18: Decorative paint demand segmentation by application: Interior vs exterior	41
Figure 19: Repainting vs Fresh Painting (FY25).....	43
Figure 20: Demand based on End use industry.....	48
Figure 21: Market share split of Major Players (FY25)	48
Figure 22: Indian Chemical Industry Market Size.....	49
Figure 23: Segmentation by type:	50
Figure 24: Paint Application Industry Market size (Value-wise, FY25-30P).....	54
Figure 25: Flow of Paint Application Value Chain	55
Figure 26: Share of organised vs unorganised segment in the paint application industry (Value wise, FY25)	56
Figure 27: Workforce Structure in Unorganised Segment	57
Figure 28: All India Consumer Price Index Number for Industrial Worker	59
Figure 29: Various types of paint application services	59
Figure 30: Various Types of Contracts	60
Figure 31: Segmentation based on Product and End Use	62
Figure 32: Flow of Integrated Paint Project Value Chain	80
Figure 33: Impact of Feedback and Improvements In Paint Projects	84
Figure 34: Comparison of Paint Supply and Application Service Models	85
Figure 35: Flow of Turnkey Paint Project Value Chain.....	86
Figure 36: Evolution of Paint Supply and Application Services	89

Glossary

Term or abbreviation	Full form	Definition
AMRUT	Atal Mission for Rejuvenation and Urban Transformation	A Government of India urban-development programme supporting water supply, sewerage, green spaces and related urban infrastructure.
BIS	Bureau of Indian Standards	India's national standards body responsible for developing product and quality standards and administering applicable certification schemes.
CAGR	Compound Annual Growth Rate	The annualised rate of growth of a value over a specified period, assuming compounding.
CPCB	Central Pollution Control Board	A statutory organisation responsible for pollution-control oversight and environmental standards at the national level.
CPI	Consumer Price Index	An index measuring changes in retail prices paid by consumers for a representative basket of goods and services.
FHTC	Functional Household Tap Connection	A household tap-water connection provided under the Jal Jeevan Mission in accordance with applicable programme requirements.
Fiscal / FY	Fiscal year	The twelve-month period from April 1 to March 31 used for financial and industry reporting in India.
GDP	Gross Domestic Product	The total value of goods and services produced within an economy during a specified period.
GFCF	Gross Fixed Capital Formation	Investment in fixed assets such as buildings, machinery and infrastructure, net of disposals.
GVA	Gross Value Added	The value of output produced by an industry or sector after deducting intermediate consumption.
IIP	Index of Industrial Production	An index measuring changes in the volume of production across selected industrial sectors.
JJM	Jal Jeevan Mission	A Government of India programme supporting functional household tap connections and rural drinking-water infrastructure.
MoHUA	Ministry of Housing and Urban Affairs	The Government of India ministry responsible for policies and programmes relating to housing and urban development.
MoSPI	Ministry of Statistics and Programme Implementation	The Government of India ministry responsible for official statistics and programme-implementation monitoring.
NSO	National Statistical Office	The statistical office under MoSPI responsible for compiling and publishing official economic and social statistics.
NSQF	National Skills Qualifications Framework	A competency-based framework that organises qualifications according to levels of knowledge, skills and aptitude.
OEM	Original Equipment Manufacturer	A manufacturer that produces finished equipment or vehicles and applies coatings during the manufacturing process.
PAT	Profit After Tax	Profit earned after accounting for applicable taxes.

Term or abbreviation	Full form	Definition
PLI	Production Linked Incentive	Government incentive programmes linked to eligible incremental production or sales across identified sectors.
PM-ABHIM	Pradhan Mantri Ayushman Bharat Health Infrastructure Mission	A Government of India programme supporting public-health infrastructure and healthcare capacity.
PMAY-G	Pradhan Mantri Awaas Yojana-Gramin	A Government of India programme supporting construction of pucca houses with basic amenities for eligible rural households.
PMAY-U	Pradhan Mantri Awaas Yojana-Urban	A Government of India programme supporting housing for eligible beneficiaries in urban areas.
PMGSY	Pradhan Mantri Gram Sadak Yojana	A Government of India programme supporting construction, upgradation and maintenance of rural roads.
PMI	Purchasing Managers' Index	A survey-based indicator of business conditions in the manufacturing or services sector, where a reading above 50 generally indicates expansion.
RERA	Real Estate (Regulation and Development) Act, 2016	The statutory framework regulating specified real-estate projects and agents in India.
UDISE	Unified District Information System for Education	A national database used for collection and reporting of information relating to school education in India.
VOC	Volatile Organic Compound	Organic compounds that evaporate under normal conditions and may contribute to emissions from paint and coating products.
WPI	Wholesale Price Index	An index measuring changes in wholesale prices of a representative basket of goods.

Global macroeconomic overview

Global economic growth is estimated at 3.40% in 2025¹ and is projected to remain steady at 3.10% in 2026 and is further expected to edge up to 3.20% in 2027, supported by a cooling (though still uneven) inflation trajectory, gradual normalisation in supply conditions, and continued albeit more targeted policy support. At the same time, growth remains constrained by the lagged impact of restrictive monetary policy, phased withdrawal of fiscal stimulus across major economies, and heightened geopolitical uncertainties (including episodes of escalation in West Asia), which have the potential to disrupt energy prices and trade flows, prompting ongoing policy recalibration and corrective actions focused on safeguarding price stability and financial resilience.

Global growth contracted 2.70% in 2020 as the Covid-19 pandemic disrupted economic activity. However, the contraction was lower than the International Monetary Fund (IMF)'s estimates, with a strong rebound in manufacturing, shift to new ways of working and fiscal and policy support limiting the slide².

The global economy has shown remarkable resilience in the face of unprecedented challenges, including the pandemic. A swift recovery in 2021, by vaccine- driven normalisation and fiscal support, laid the foundation for sustained growth.

The global economy expanded 3.80% in 2022 and 3.30% in 2023, despite supply chain constraints, inflation and geopolitical uncertainties. In 2024 and 2025 growth remained stable at 3.40%.

Five-year historical data and growth forecast

Region-wise historic gross domestic product (GDP) growth rates and outlook

The IMF expects global growth to rise from 3.10% in 2026 to 3.20% in 2027 and remain stable at 3.10% in 2031. This is driven by the direct and indirect effects of new trade measures, heightened uncertainty and deteriorating sentiment. The forecast reflects a significant shift in the global economic outlook, underscoring the need for policymakers to address trade uncertainty and restore confidence to support a more robust and sustainable recovery and mitigate the risks to global economic stability and growth prospects.

Table 1: Region-wise and country-wise economic review and outlook³

Real GDP (on-year growth)	2019	2020	2021	2022	2023	2024	2025	2026P	2027P	2031P
World	3.00%	-2.70%	6.70%	3.80%	3.30%	3.40%	3.40%	3.10%	3.20%	3.10%
Advanced economies	1.90%	-3.90%	6.10%	3.10%	1.70%	1.80%	1.90%	1.80%	1.70%	1.50%
Emerging & developing economies	3.80%	-1.80%	7.00%	4.30%	4.40%	4.50%	4.40%	3.90%	4.20%	4.00%
Key countries										
The US	2.60%	-2.20%	6.10%	2.50%	2.90%	2.80%	2.10%	2.30%	2.10%	2.10%
Euro area*	1.60%	-6.00%	6.40%	3.60%	0.40%	0.90%	1.40%	1.10%	1.20%	1.10%
Japan	-0.40%	-4.30%	3.60%	1.30%	0.70%	-0.20%	1.20%	0.70%	0.60%	0.60%
The UK	1.60%	-10.00%	8.50%	5.10%	0.30%	1.10%	1.30%	0.80%	1.30%	1.40%
China	6.10%	2.30%	8.60%	3.10%	5.40%	5.00%	5.00%	4.40%	4.00%	3.30%
India	3.90%	-5.80%	9.70%	7.60%	7.21%	7.10%	7.75%	6.50%	6.50%	6.50%

*The euro area consists of member states of the European Union that have adopted the euro as their currency

¹ Calendar year. Unless mentioned otherwise, the years correspond to calendar years throughout the report

² IMF – World Economic Outlook April 2026

³ All classifications according to the IMF

P: Projected

Source: Crisil Intelligence, the IMF, National Statistical Office (NSO)

Table 2: Country-wise GDP (constant 2015 USD)

Real GDP (USD Trillion)	2019	2020	2021	2022	2023	2024
World	85.28	82.80	88.11	91.11	93.80	96.49
The US	20.06	19.63	20.82	21.34	21.96	22.57
Euro area	12.78	12.01	12.78	13.25	13.31	13.43
Japan	4.56	4.37	4.49	4.53	4.60	4.61
The UK	3.19	2.87	3.11	3.27	3.28	3.32
China	14.58	14.92	16.20	16.71	17.61	18.49
India	2.69	2.53	2.78	2.99	3.27	3.48

Source: Crisil Intelligence, World Bank

Table 3: Country-wise GDP (current USD)

Current GDP (USD Trillion)	2019	2020	2021	2022	2023	2024
World	88.48	85.91	98.14	102.25	106.74	110.98
The US	21.38	21.06	23.32	25.60	27.29	28.75
Euro area	13.59	13.27	14.92	14.49	15.85	16.49
Japan	5.12	5.05	5.04	4.26	4.21	4.03
The UK	2.88	2.72	3.19	3.18	3.42	3.69
China	14.56	15.00	18.20	18.32	18.27	18.74
India	2.84	2.67	3.17	3.35	3.64	3.91

Source: Crisil Intelligence, World Bank

Global GDP has rebounded post-pandemic. Real GDP at constant 2015 USD rose from USD 85.28 trillion (2019) to USD 96.49 trillion (2024), while current GDP increased faster from USD 88.48 trillion to USD 110.98 trillion, highlighting the impact of inflation and currency movements. The US continued steady real growth (USD 20.06 trillion to USD 22.57 trillion) alongside stronger current-dollar expansion (USD 21.38 trillion to USD 28.75 trillion). China and India expanded meaningfully in real terms, India particularly, from USD 2.69 trillion to USD 3.48 trillion with current GDP also rising robustly. Japan is the key outlier: real GDP stayed flat around USD 4.61 trillion (2024), but current GDP fell from USD 5.12 trillion to USD 4.03 trillion, reflecting valuation effects. In short, constant GDP reflects volume-led growth, while current GDP captures both growth and price/currency changes, so the two measures can diverge sharply across countries.

Major economies outlook

Global economic growth remains moderate, with major economies exhibiting divergent trajectories. The United States continues to demonstrate relative resilience supported by consumption and services, while growth in the Euro area remains subdued due to structural constraints, energy transition costs and weak industrial activity. Japan's growth is expected to remain modest amid demographic challenges and subdued domestic demand, whereas the United Kingdom is projected to witness gradual recovery following inflationary pressures and tighter financial conditions.

China's growth is expected to moderate compared to historical levels, reflecting structural adjustments in the real estate sector and evolving policy priorities, although supported by manufacturing and exports. In contrast, India is expected to

remain one of the fastest-growing major economies, driven by strong domestic demand, infrastructure investments and policy support.

Overall, growth across major economies is expected to remain stable but moderate over the medium term, with geopolitical developments, including tensions in West Asia, and evolving global financial conditions continuing to influence economic momentum.

The United States (US)

The country's GDP growth, which expanded to 2.90% in 2023 from 2.50% in 2022, would have been higher if not for high inflation and, consequently, the interest rate increases by the US Federal Reserve (Fed), which affected spending.

The 2024 growth forecast was revised up to 2.80%⁴ because of strong consumption and non-residential investment, driven by rising real wages and wealth effects. However, growth is expected to expand 2.30% in 2026, with support from fiscal policy and impact of interest rate cuts in 2025.

Euro area

The euro area growth slowed to 0.40% in 2023 because of geopolitical uncertainty, tighter financial conditions and higher energy prices. Growth recovered to 0.90% in 2024 and 1.40% in 2025, driven by improved exports, rising real wages and easier monetary policy. In 2026, growth is expected to decline to 1.10% because of the rise in energy prices due to the West Asia conflict.

Japan

In 2023, Japan's economy grew at 0.70%, driven by pent-up demand, tourism and accommodative policies. However, growth is expected to drop to 0.70% in 2026 from 1.20% in 2025 due to increased energy prices and weaker external demand.

The United Kingdom (UK)

The United Kingdom (UK)'s growth slowed to 0.30% in 2023 because of tight monetary policy and high energy prices, but was supported by a 2022 fiscal package. Growth accelerated to 1.10% in 2024 and 1.30% in 2025, driven by falling inflation and interest rates, which stimulated domestic demand. Growth is projected to decline to 0.80% in 2026 due to the West Asia conflict and slower pace of monetary easing.

China

China's GDP grew at 8.60% in 2021, driven by pent-up demand and strong exports. Growth was steady at 5.00% in 2024 and 2025, supported by better-than-expected net exports. For 2026, growth is projected at 4.40% on lower US tariffs and stimulus measures offsetting impact of the West Asia conflict.

India

India has emerged as one of the fastest-growing major economies globally. After contracting by 5.80% in Fiscal 2021 due to the impact of the COVID-19 pandemic, the economy recovered strongly, recording growth of 9.70% in Fiscal 2022. The recovery was supported by domestic consumption, investment in infrastructure and continued expansion of the services sector.

Under the revised GDP series, India's real GDP grew by 7.21% in Fiscal 2024 and 7.10% in Fiscal 2025 and is estimated to have grown by 7.75% in Fiscal 2026. Growth is projected to moderate to approximately 6.50% in Fiscal 2027 and remain rangebound through Fiscal 2030. Favourable demographics, increasing urbanisation, expansion of manufacturing

⁴ All forecasts are by the IMF, unless otherwise stated

capacity and continued government investment in infrastructure are expected to support India's economic growth over the medium term.

Crisil

Macroeconomic overview of India

GDP trend and composition by sector

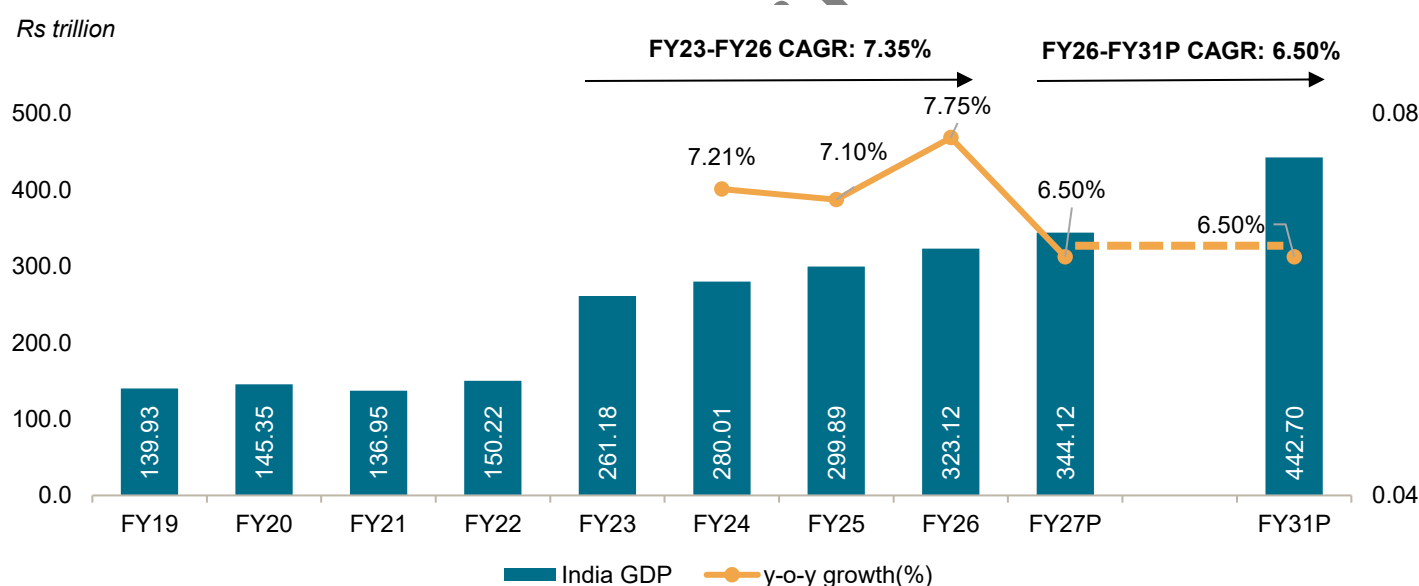
India ranks as the world's sixth-largest economy by nominal GDP, with an estimated output of USD 4.15 trillion, behind the United States, China, Germany, Japan, and the United Kingdom. In purchasing power parity terms, India ranks third globally, with an economy of approximately USD 18.90 trillion based on International Monetary Fund (IMF) projections, underscoring its substantial domestic economic scale.

Real GDP trend

India's real GDP expanded at a CAGR of 7.35% between Fiscal 2023 and Fiscal 2026, increasing from Rs 261.18 trillion to Rs 323.12 trillion at constant Fiscal 2023 prices. Real GDP grew by 7.21% in Fiscal 2024, 7.10% in Fiscal 2025 and 7.75% in Fiscal 2026.⁵ The data is based on a revision in the GDP base year from fiscal 2012 to fiscal 2023, as effected by the Ministry of Statistics and Programme Implementation in 2026.

India's nominal GDP reached Rs 318.07 trillion in Fiscal 2025. During the same year, the construction sector generated nominal Gross Value Added of Rs 24.49 trillion and accounted for 8.48% of India's nominal Gross Value Added, reflecting its significant contribution to the domestic economy.

Figure 1: India's real GDP trend



P – projected; FY – fiscal year

Note: A new national accounts series was released with 2022-23 as the base year, superseding the 2011-12 series, with figures available for fiscal 2023 onwards; values for fiscals 2019 to 2022 are as per base year 2011-12 at constant prices

Source: National Statistical Office (NSO), Crisil Intelligence

India's real GDP is estimated to have increased 7.75% on year in fiscal 2026 vs 7.10% in the previous fiscal. However, major contributors to GDP, such as trade and hotels, and financial services and real estate, are estimated to have recorded slower growth. Further, India's real GDP is projected to grow at a 6.50% CAGR over fiscal 2026-2031P, supported by resilient domestic demand and continued investment momentum. Key drivers include rising private

⁵ Statistics from second advance estimates of gross domestic product 2024-25

consumption, sustained government capex, increasing private investment, manufacturing expansion and strong services growth, underpinned by favourable demographics and ongoing structural reforms.

On the demand front, investment (gross fixed capital formation) is estimated to have grown at 7.08% on-year in fiscal 2026 (vs 6.41% in fiscal 2025). Private consumption is likely to have increased, with private consumption expenditure estimated to have grown 7.67% in fiscal 2026 vs 5.79% in the previous fiscal. And government consumption expenditure is estimated to have grown 6.57% on-year vs 6.46% in fiscal 2025.

Table 4: Yearly demand-side real GDP growth

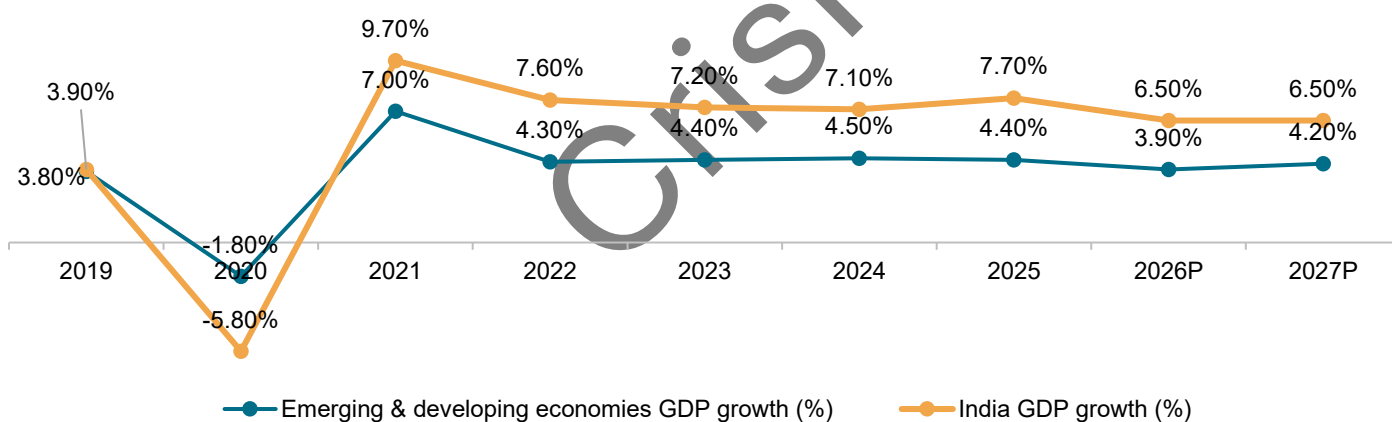
Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26PE
Private consumption	7.09%	5.17%	-5.29%	11.68%	7.47%	5.78%	5.79%	7.67%
Government consumption	6.70%	3.95%	-0.77%	0.02%	4.30%	0.58%	6.46%	6.57%
Gross fixed capital formation	11.20%	1.15%	-7.10%	17.52%	8.45%	7.25%	6.41%	7.08%
Exports	11.93%	-3.38%	-6.96%	29.60%	10.32%	0.71%	6.56%	6.46%
Imports	8.82%	-0.84%	-12.62%	22.09%	8.92%	-1.03%	5.31%	6.40%

PE – provisional estimates; FY – fiscal year

Note: FY19-23 values are as per base year 2011-12 at constant prices and FY24-26 values are as per revised base year 2022-23 at constant prices

Source: Crisil Intelligence, NSO

Figure 2: India's GDP growth vs GDP growth of developed and emerging economies



Source: NSO, Crisil Intelligence

India remains a clear growth outperformer versus both advanced economies and the broader emerging-market cohort. While India's GDP contracted more sharply in 2020 at -5.80%, compared with -3.90% for advanced economies and -1.80% for emerging & developing economies, the rebound was significantly stronger, with growth of 9.70% in 2021 and sustained momentum above 7.00% during 2022-2025.

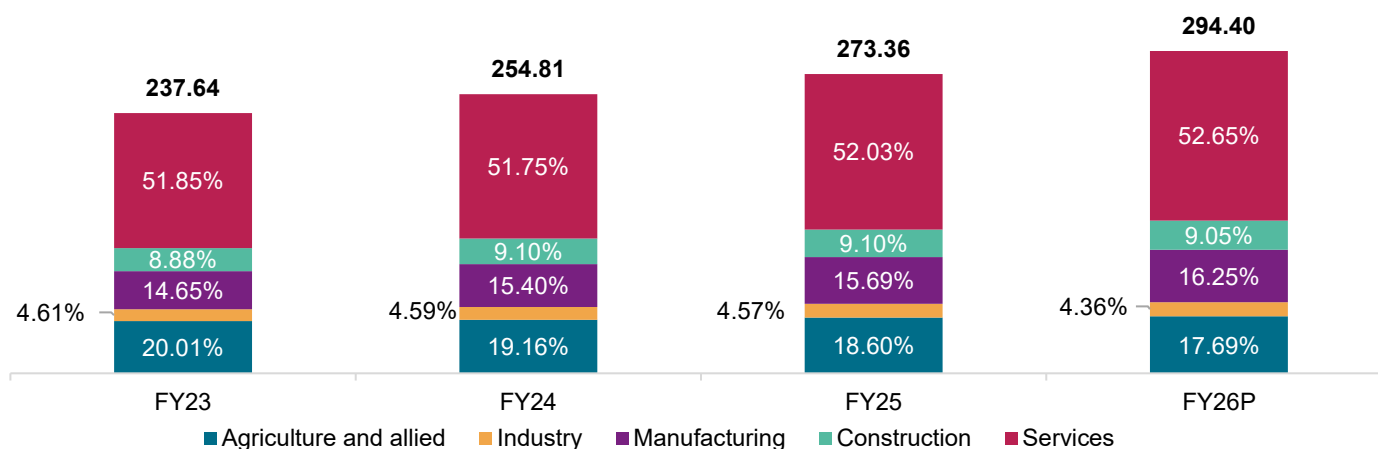
Over 2019-2024, India's average real GDP growth was around 4.95%, well ahead of 1.78% for advanced economies, 3.70% for emerging & developing economies, and 2.92% for the world. Post-pandemic, India has maintained a sizeable growth premium, supported by resilient domestic demand, investment activity, and stronger macroeconomic fundamentals.

Looking ahead, India is projected to grow 7.70% in 2025 and stabilize at 6.50% from 2026 onwards, compared with 1.50%-1.90% for advanced economies and 3.90%-4.40% for emerging & developing economies. This implies India's

projected growth premium of around 4.70% over advanced economies and 2.50% over emerging & developing economies over 2026-2031.

Overall, India's growth trajectory remains structurally stronger than developed markets and meaningfully ahead of the broader emerging-market average, reinforcing its position as one of the fastest-growing major economies globally.

Figure 3: Split of gross value added (GVA) by type of economic activity (% , Rs trillion)



Notes:

1) Industry includes mining and quarrying, electricity, gas, water supply and other utilities

2) Services relate to trade, hotels, transport, communication, broadcasting, finance, real estate, public administration, defence and professional and others

Source: Crisil Intelligence, National Statistical Office (NSO)

India's gross value added (GVA), has demonstrated steady expansion in recent years, supported by broad-based sectoral growth. Total GVA increased from approximately Rs 237.64 trillion in fiscal 2023 to Rs 294.40 trillion in fiscal 2026 (projected), reflecting sustained economic growth momentum following the post pandemic recovery phase. Growth has been driven by continued strength in services, alongside improving contributions from manufacturing and construction.

Within overall GVA, the services sector remained the dominant contributor, accounting for 51.85% in fiscal 2023, increasing to 52.65% in fiscal 2026, indicating a gradual rise in its share. The manufacturing sector's share improved from 14.65% to 16.25% over the same period, supported by industrial recovery and policy-led manufacturing push, while agriculture and allied activities moderated from 20.01% to 17.69%, reflecting structural shifts in the economy. The construction sector remained stable at around 8.88–9.10%, supported by infrastructure and real estate activity.

On the supply side, growth in fiscals 2024 to 2026 has been supported by strong performance in services, manufacturing and construction, driven by continued investments, urban demand and government infrastructure spending. The data reflects a structural transition toward a more services-led economy, with increasing industrial contribution, while agriculture's relative share continues to moderate in line with long-term economic trends.

Table 5: Yearly GVA by economic activity (in Rs Trillion)

At basic prices	FY23	FY24	FY25	FY26P
Agriculture and allied	47.56	48.82	50.86	52.09
Industry*	10.96	11.71	12.50	12.84
Manufacturing	34.82	39.25	42.89	47.84
Construction	21.09	23.18	24.87	26.64

At basic prices	FY23	FY24	FY25	FY26P
Services^	123.20	131.86	142.24	155.00

P – projected

* Includes mining and quarrying, electricity, gas, water supply and other utilities

^ Relates to trade, hotels, transport, communication, broadcasting, finance, real estate, public administration, defence, and professional and others

Source: Crisil Intelligence, National Statistical Office (NSO)

Table 6: Yearly growth rate of supply-side GVA by economic activity

At basic prices	FY24	FY25	FY26P
Agriculture and allied	2.64%	4.18%	2.42%
Industry*	6.83%	6.78%	2.71%
Manufacturing	12.71%	9.29%	11.53%
Construction	9.92%	7.30%	7.12%
Services^	7.02%	7.87%	8.97%

P – projected

* Includes mining and quarrying, electricity, gas, water supply and other utilities

^ Relates to trade, hotels, transport, communication, broadcasting, finance, real estate, public administration, defence, and professional and others

Source: Crisil Intelligence, National Statistical Office (NSO)

Year-wise growth trends across sectors indicate a mixed but resilient supply-side performance over fiscals 2024 to 2026. Manufacturing and services emerged as the primary growth drivers, with manufacturing recording strong expansion of 12.71% in fiscal 2024, moderating to 9.29% in fiscal 2025, and rebounding to 11.53% in fiscal 2026 (projected), reflecting improving industrial activity and demand conditions. The services sector maintained a steady upward trajectory, growing from 7.02% in fiscal 2024 to 7.87% in fiscal 2025 and further to 8.97% in fiscal 2026, supported by robust performance across trade, financial and other contact-intensive services.

In contrast, construction growth moderated from 9.92% in fiscal 2024 to 7.30% in fiscal 2025 and 7.08% in fiscal 2026, indicating some normalisation after strong post-pandemic expansion. Industry growth remained stable at 6.83% and 6.78% in fiscals 2024 and 2025, respectively, before slowing to 2.71% in fiscal 2026, suggesting emerging pressures in core industrial segments. Meanwhile, agriculture and allied activities showed relatively moderate and volatile growth, increasing from 2.64% in fiscal 2024 to 4.18% in fiscal 2025, before easing to 2.42% in fiscal 2026, reflecting dependence on monsoon conditions and base effects. Overall, the growth profile highlights increasing reliance on manufacturing and services, with variability in agriculture and industrial segments.

Table 7: State Domestic Product (SDP) Contribution- at current prices (in Rs billions)

State/UT	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Andaman & Nicobar Islands	90.03	97.65	93.10	103.92	119.77	124.85	130.64	-
Andhra Pradesh	8,737.21	9,258.39	9,785.81	11,316.29	13,079.76	14,239.00	15,912.26	17,623.57
Arunachal Pradesh	253.35	300.24	305.25	327.05	357.12	376.36	442.61	495.06
Bihar	5,279.76	5,818.55	5,678.14	6,473.94	7,631.65	8,772.30	9,904.92	11,070.72
Chandigarh	401.39	434.21	394.11	460.50	559.63	624.47	680.73	-
Chhattisgarh	3,271.07	3,446.72	3,523.28	4,116.13	4,534.83	5,120.73	5,658.45	6,312.91
Delhi	7,383.89	7,929.11	7,442.77	8,706.27	10,000.23	11,136.46	12,128.51	-
Goa	718.53	750.32	741.58	812.26	851.14	978.39	1,170.79	-
Gujarat	14,921.56	16,171.43	16,161.06	19,209.27	21,889.01	24,527.36	27,035.18	29,844.49

Himachal Pradesh	1,483.83	1,591.64	1,519.05	1,706.54	1,915.68	2,093.85	2,305.87	-
Jammu & Kashmir-UT*	1,598.59	1,641.03	1,677.93	1,885.61	2,098.16	2,360.59	2,623.58	2,856.74
Jharkhand	3,056.95	3,103.05	2,966.64	3,761.27	4,143.08	4,656.38	5,162.55	-
Karnataka	14,793.91	16,158.27	16,408.11	19,920.29	23,260.71	25,935.67	29,060.63	32,810.65
Kerala	7,882.86	8,129.35	7,717.24	9,244.65	10,387.34	11,353.72	12,485.33	-
Madhya Pradesh	8,298.05	9,278.55	9,462.18	11,011.68	12,219.22	13,624.21	15,024.28	16,697.50
Maharashtra	25,288.54	26,568.06	26,106.51	31,438.21	36,654.12	41,183.75	46,221.38	51,005.97
Manipur	273.88	298.13	297.76	350.27	385.52	434.25	503.09	-
Meghalaya	321.76	347.70	337.76	402.22	468.34	532.23	596.26	-
Mizoram	219.12	249.90	239.23	266.95	301.84	332.77	383.43	-
Odisha	4,986.11	5,375.02	5,401.85	6,955.30	7,173.99	8,208.52	9,030.57	9,884.21
Puducherry	341.71	369.99	361.80	409.03	423.15	469.45	521.63	-
Punjab	5,125.10	5,370.31	5,408.53	6,277.17	6,803.33	7,576.27	8,259.32	-
Rajasthan	9,115.19	10,000.32	10,179.17	11,956.41	13,486.93	15,220.63	17,011.90	18,754.13
Sikkim	284.02	314.41	330.18	376.50	428.06	479.88	533.40	-
Tamil Nadu	16,302.09	17,431.44	17,880.74	20,724.96	23,724.69	26,889.63	31,185.90	35,290.52
Telangana	8,574.27	9,500.90	9,430.78	11,240.86	13,107.10	14,553.83	16,099.02	17,821.98
Tripura	498.23	541.51	535.04	623.02	706.33	782.34	871.70	-
Uttar Pradesh	16,217.26	17,451.31	16,829.43	20,280.30	22,957.67	26,669.50	30,246.21	-
Uttarakhand	2,303.27	2,392.63	2,256.17	2,549.66	2,925.99	3,149.73	3,479.81	3,818.89
West Bengal	11,020.54	11,791.27	11,418.02	13,400.30	15,103.35	16,501.15	18,123.72	19,908.96
Southern region (SDP)*	56,632.05	60,848.33	61,584.49	72,856.08	83,982.76	93,441.29	105,264.77	103,546.72
Southern region SDP as a % of Total	31.63%	31.67%	32.26%	32.19%	32.59%	32.34%	32.61%	37.76%
Total of above SDP at current prices^	179,042.09	192,111.43	190,889.24	226,306.86	257,697.72	288,908.25	322,793.68	274,196.30

* Includes SDPs of Andhra Pradesh, Karnataka, Kerala, Puducherry, Tamil Nadu, Telangana

^ Note: Base taken as 2011-12, as per data available on Directorate of Economics & Statistics of respective State/UT Governments, State-series data of Assam, Haryana, Nagaland and Ladakh is not available and thus the total is not an exact match of overall GDP at current prices, State-wise estimates for the year 2024-25 received from the respective States/UTs have been checked only by applying growth rates in line with the estimates of the year 2023-24 and has not been compared by NSO. The estimates for the year 2025-26 are Advance Estimates, the data for some states like Tripura, Uttar Pradesh, Sikkim etc. is not available.

Source: MoSPI, National Statistical Office (NSO), Crisil Intelligence

The Southern region's share of total State Domestic Product (SDP) remained broadly stable during the earlier years before increasing in the latest period. It ranged between 31.63% and 32.26% from fiscal 2018-19 to fiscal 2021-22, indicating that the region consistently contributed approximately one-third of aggregate SDP during this period. The share increased modestly to 32.59% in fiscal 2022-23, suggesting slightly faster growth in the Southern region relative to the other regions.

In fiscal 2023-24, the Southern region's share moderated to 32.34%, indicating a partial normalisation in its relative growth. It subsequently increased to 32.61% in fiscal 2024-25 and rose more significantly to 37.76% in fiscal 2025-26. This increase indicates a higher contribution from the Southern region to aggregate SDP and suggests that its economy expanded at a faster pace than the overall total during the latest period.

Table 8: State-wise Gross Value Added by Construction Segment at Current prices (In Rs Billions)

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Andhra Pradesh	600.79	565.49	625.54	845.64	1,001.17	1,100.95	1,214.12
Karnataka	820.47	832.43	811.85	1,080.71	1,259.40	1,376.20	1,485.12
Kerala	929.18	921.74	903.52	1,179.07	1,304.71	1,364.89	1,466.17
Tamil Nadu	1,661.15	1,728.37	1,861.52	2,315.15	2,563.08	2,971.47	3,486.29
Telangana	376.87	387.41	365.19	503.21	624.87	758.06	855.72
Puducherry	44.78	45.12	43.24	58.02	61.72	67.87	74.44
Total Of Southern Region	4,433.23	4,480.56	4,610.87	5,981.79	6,814.95	7,639.44	8,581.86
Southern Region % Share	32.79%	32.50%	33.92%	32.59%	31.39%	31.81%	32.67%
Overall Construction GVA	13,521.18	13,786.69	13,595.11	18,356.74	21,714.01	24,016.18	26,270.09

Source: MoSPI, Niti Aayog, National Statistical Office (NSO), Crisil Intelligence

The Southern region's contribution to total construction GVA remained in the range of 31.39%- 33.92% range during fiscal 2019-2025, reinforcing its position as one of India's principal construction markets and a major contributor to national construction output. This reflects the region's relatively diversified economic base, high urbanisation, sustained residential and commercial development, industrial and infrastructure investments, and the presence of major metropolitan centres, ports and manufacturing corridors. These structural characteristics support recurring construction, refurbishment and maintenance activity across residential, commercial, institutional, industrial and infrastructure assets, creating a broad and relatively resilient demand base for construction-related products and services, including paints and coatings.

The Southern region accounted for 32.79% of total Construction GVA in fiscal 2018-19, before moderating slightly to 32.50% in fiscal 2019-20. Its share increased to 33.92% in fiscal 2020-21, indicating that construction activity in the region marginally outpaced overall construction GVA growth during that period. The share subsequently declined to 32.59% in fiscal 2021-22 and 31.39% in fiscal 2022-23, suggesting that construction activity in other regions expanded relatively faster in fiscal 2022-23. From fiscal 2023-24, the Southern region's share improved to 31.81% and further increased to 32.67% in fiscal 2024-25, indicating a renewed alignment with overall construction GVA growth and continued importance of the region within India's construction ecosystem.

Key economic growth drivers

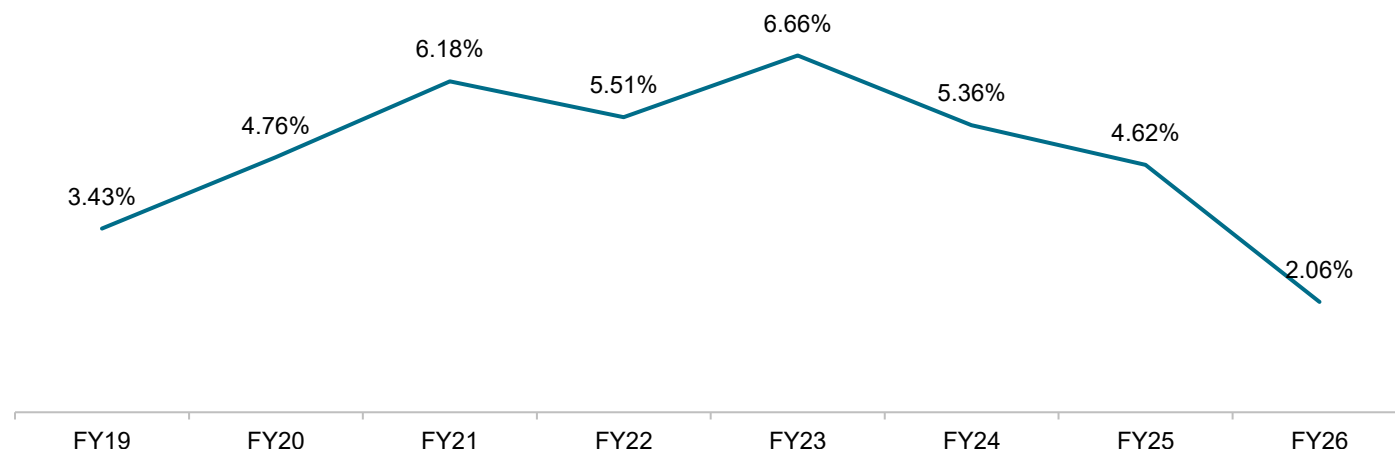
Strong domestic demand as well as consumption are expected to drive India's GDP growth, with urban consumption strengthening and rural demand remaining robust. Manufacturing and industrial growth are also expected to be key drivers, with a projected 9.00% annual growth rate from fiscal 2025-2031, driven by the government's Production Linked Incentive (PLI) scheme and the Make in India initiative.

Infrastructure investment and capex are expected to support growth as well, with the government allocating a record Rs 12.22 trillion for capex in fiscal 2027, and large-scale public infrastructure projects driving economic activity and improving logistics, leading to increased economic growth.

Performance of key macroeconomic indicators

Consumer Price Index inflation trend

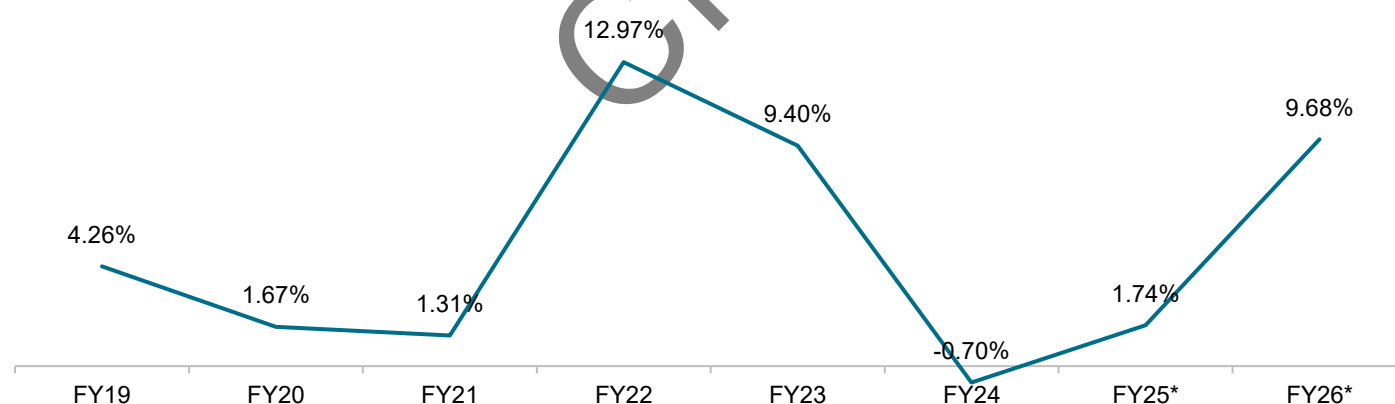
India's average Consumer Price Index (CPI) inflation rate trended ~4.97% between fiscals 2019 and 2022. However, in fiscal 2023, it increased to 6.66%, mainly due to surging food prices, before moderating slightly to an average of 5.36% in fiscal 2024 and further to 4.62% in fiscal 2025. In fiscal 2026, CPI inflation moderated sharply to 2.06% marking a significant decline from the previous year due to easing food prices and stable core inflation.

Figure 4: CPI inflation trend


Source: NSO, Ministry of Industry and Commerce, Crisil Intelligence

Wholesale Price Index inflation trend

India's Wholesale Price Index (WPI) inflation remained subdued during fiscals 2020 and 2021, averaging 1.67% and 1.31%, respectively, amid weak demand conditions. Inflation surged sharply to 12.97% in fiscal 2022 and moderated to 9.40% in fiscal 2023, driven by elevated global commodity and energy prices. As supply-side pressures eased, WPI inflation declined significantly to -0.70% in fiscal 2024 before recovering modestly to 1.74% in fiscal 2025. In fiscal 2026 (latest, May 2026; new 2022-23 base), WPI inflation accelerated to 9.68%, primarily due to a sharp increase in fuel and power prices under the revised WPI series.

Figure 5: WPI inflation trend


*FY26 (latest, May 2026, and FY25 as per new 2022-23 base)

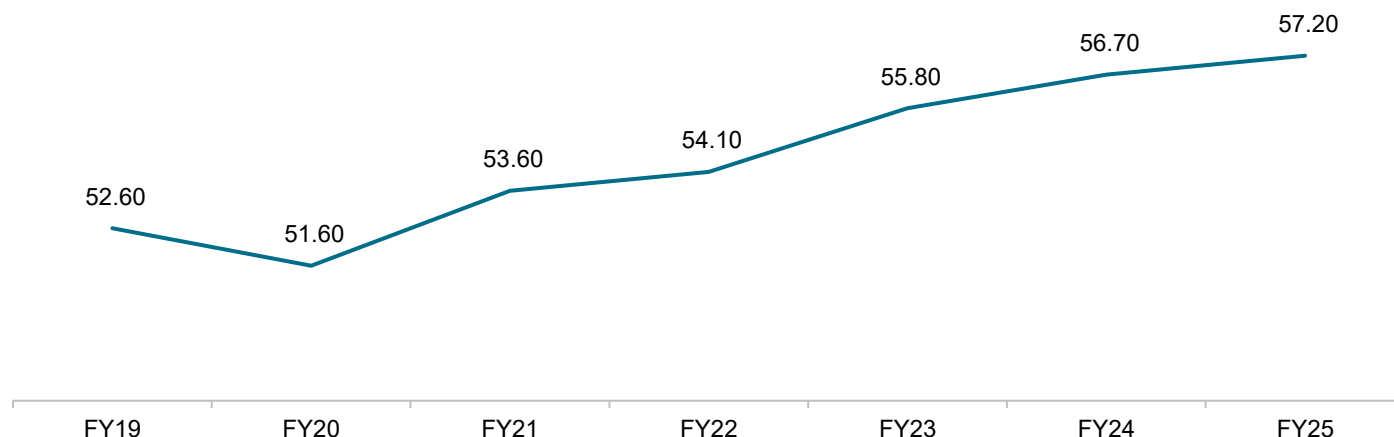
Source: Office of Economic Advisor, Crisil Intelligence

Purchasing Managers' Index (Manufacturing) trend

India's Manufacturing Purchasing Managers' Index (PMI) India's Manufacturing Purchasing Managers' Index (PMI) is a survey-based indicator that tracks changes in manufacturing activity based on factors such as output, new orders, employment, supplier deliveries and inventories, and is used to assess the pace and direction of economic activity in the manufacturing sector. The PMI remained above the neutral threshold of 50 throughout fiscals 2019 to 2025, indicating sustained expansion in manufacturing activity. The index moderated from 52.60 in fiscal 2019 to 51.60 in fiscal 2020 amid

pandemic-related disruptions, before recovering to 53.60 in fiscal 2021. Manufacturing momentum strengthened further, with PMI rising to 54.10 in fiscal 2022, 55.80 in fiscal 2023, 56.70 in fiscal 2024 and 57.20 in fiscal 2025, supported by robust domestic demand, improving export orders, higher output and resilient business confidence.

Figure 6: PMI trend

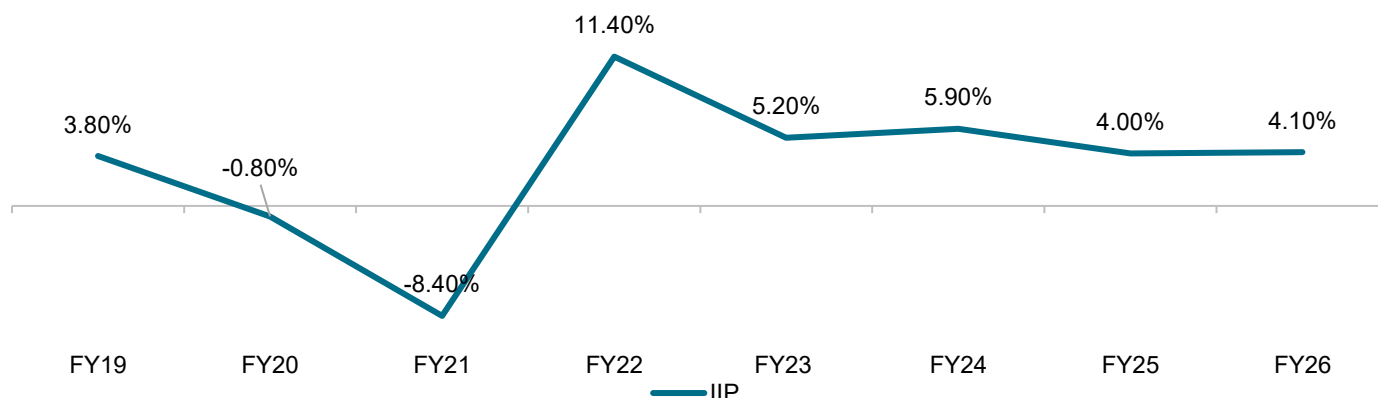


Source: S&P Global PMI Releases, Crisil Intelligence

Index of Industrial Production trend

India's Index of Industrial Production (IIP) averaged 3.24% between fiscals 2019 and 2023, rising sharply thereafter to 5.90% in fiscal 2024, led by a strong pick-up in the manufacturing of electrical equipment and basic metals, with an uptick in the consumer durables sector supporting the print. In fiscal 2025, however, IIP growth slowed to 4.00% primarily because of a slowdown in on-year growth in the manufacturing sector's GVA, and, thereafter, remaining stable at 4.10% in fiscal 2026.

Figure 7: IIP trend



Source: NSO, Ministry of Industry and Commerce, Crisil Intelligence

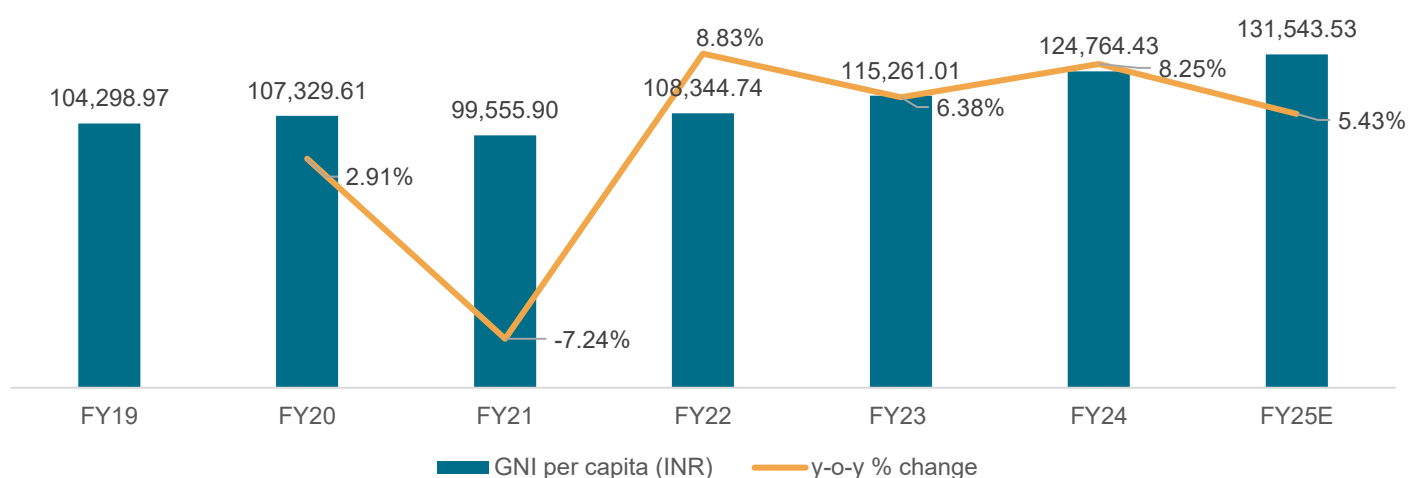
Per capita GNI and income growth trend

A country's gross national income (GNI) is derived at by adding overseas receipts to GDP and subtracting overseas payments in the form of wages, salaries and property income.

India's GNI per capita has shown a largely positive trend, except for a decline of 7.24% in fiscal 2021 due to a contraction in the GDP. However, it rebounded in fiscal 2022, growing 8.83%, driven by recovery in demand, the labour market and consumer sentiment. The growth rate remained rangebound, increasing at 6.38% and 8.25% on year, in fiscals 2023 and 2024, respectively, reflecting economic stabilisation. Hence, from fiscal 2019-2025, India's GDP grew at 3.94% CAGR.

This steady growth trajectory underscores the country's economic resilience and potential for sustained development.

Figure 8: GNI per capita trajectory



E: Estimated

Note: Fiscal 2024 and 2025 values are as per second advance estimates of GDP 2024-25 by NSO

Source: NSO, Ministry of Industry and Commerce, Ministry of Statistics and Programme Implementation, Crisil Intelligence

Table 9: Indian Paints Product Industry Growth vs Real GDP Growth: Multiplier Analysis

Parameter	FY24	FY25	FY26
Average Growth (%) In Paint Products Industry (Market Value) *	14.50%	14.50%	11.50%^
India's Real GDP growth (%) (base 2022-2023)	7.21%	7.10%	7.75%
Multiplier (paint growth per % growth in Real GDP)	2.01	2.04	1.48

* Average growth percentages of Paints products industry by market Value

^ Estimated

Source: National Statistical Office (NSO), Crisil Intelligence

The Indian paints industry continued to grow at a pace significantly higher than the country's real GDP during fiscals 2024-2026. The industry recorded market value growth of 14.50% in fiscals 2024 and 2025, before moderating to an estimated 11.50% in fiscal 2026. In comparison, India's real GDP expanded by 7.21% in fiscal 2024, 7.10% in fiscal 2025, and is estimated to grow by 7.75% in fiscal 2026. Consequently, the paints industry exhibited a GDP growth multiplier of approximately 2.01 times in fiscal 2024, 2.04 times in fiscal 2025, and 1.48 times in fiscal 2026, highlighting its structural outperformance over the broader economy despite an expected moderation in industry growth.

Overview of the domestic construction sector

India's construction sector, a key pillar of economic growth, is being driven by sustained government capex, urbanisation and industrial expansion, and rising residential demand. The sector comprises three key segments: infrastructure, building and construction (residential and commercial), and industrial construction, each contributing differently to overall capex and economic growth.

Table 10: Indian Paints Product Industry Growth vs Construction GVA Growth: Multiplier Analysis

Parameter	FY24	FY25	FY26
Average Growth (%) In Paint Products Industry (Market Value) *	14.50%	14.50%	11.50%^
India's Construction sector GVA growth (%) (base 2022-2023)	9.92%	7.30%	7.08%
Multiplier (paint growth per % growth in Construction GVA)	1.46	1.99	1.62

* Average growth percentages of Paints products industry by market Value

^ Estimated

Source: National Statistical Office (NSO), Crisil Intelligence

The Indian paints industry and the construction sector remain structurally linked, as construction activity generates demand for paints and coatings across new buildings, infrastructure and other built assets. However, the paints industry has expanded at a faster pace than construction activity, indicating that construction is an important demand driver but not the sole determinant of industry growth. In fiscal 2024, the paints industry recorded market value growth of 14.50%, compared with construction GVA growth of 9.92%, resulting in a growth ratio of 1.46 times. In fiscal 2025, paints industry growth of 14.50% compared with construction GVA growth of 7.30% resulted in a growth ratio of 1.99 times. Although paints industry growth is estimated to moderate to 11.5% in fiscal 2026, alongside construction GVA growth of 7.08%, the ratio is expected to remain elevated at 1.62 times. These trends indicate that paint demand is influenced by construction activity while also benefiting from additional growth levers, including repainting and renovation cycles, urbanisation, premiumisation, increased adoption of specialised and high-performance coatings, and demand from industrial and maintenance applications. Consequently, the paints industry may continue to outpace construction growth even as both sectors remain directionally linked.

Construction capex in India posted strong growth of ~13.65% CAGR between fiscals 2022 and 2024 increasing from Rs 9.60 trillion in fiscal 2022 to Rs 12.40 trillion in fiscal 2024, supported by increased public investment. However, over fiscals 2025-2030, growth is expected to normalise to 6.00-8.00% CAGR, indicating a transition toward stable and sustainable expansion.

Table 11: Construction capex trend and segment-wise contribution

Segment	Share of construction capex	Key sub-sectors	Growth drivers
Infrastructure	65%-70%	Roads, railways, power, irrigation, ports, urban infra	Primary growth driver; supported by government capex
Building and construction	25%-30%	Residential, commercial, healthcare, education	Driven by housing demand and urbanisation
Industrial	5%-10%	Oil and gas, metals, cement, automobiles	Moderate growth linked to private capex

Source: Ministry of Industry and Commerce, Ministry of Statistics and Programme Implementation, Crisil Intelligence

Within the construction sector, infrastructure continues to dominate construction activity, contributing approximately two-thirds of total construction capex. Key sub-sectors include roads, railways, urban infrastructure, irrigation and power, which together account for the bulk of investments.

Infrastructure construction capex is expected to increase from ~Rs 8.50 trillion in fiscal 2025 to Rs 9.10 trillion in fiscal 2026, i.e. a CAGR of 7.10%, with a projected 6.00-8.00% CAGR over fiscals 2026-2030.

Table 12: Construction spends in Infrastructure segment (Rs. Billion)

Sub-Segments	FY 21 to FY 25	FY 26 P to FY 30 P
Roads	17,724	25,366
Power	2,114	3,999
Railways	5,044	6,745
Urban Infra	4,920	7,312
Irrigation	3,960	6,871
Others	1,290	2,330
Total	35,052	52,622

Source: Crisil Intelligence

Within infrastructure:

- Roads remain the largest segment, with capex increasing from an estimated Rs 4.20 trillion in fiscal 2025 to Rs 4.40 trillion in fiscal 2026
- Urban infrastructure (metros, water supply and smart cities) is one of the fastest-growing segments, posting a CAGR of ~26.00% between fiscals 2021 and 2025
- Irrigation and power sectors are expected to drive incremental growth, supported by government spending and renewable energy expansion

The funding patterns indicate that roads and power sectors are increasingly attracting private participation, whereas railways remain largely government-funded, and irrigation is predominantly state-funded.

The infrastructure segment is a major consumer of industrial and protective coatings, particularly in applications such as bridges, highways, pipelines, railways, ports, and water systems, creating sustained demand for coatings solutions.

Residential and building construction segment

The building and construction segment, comprising residential, commercial, healthcare and education infrastructure, accounts for 25.00%-30.00% of construction capex.

Table 13: Segment wise share of Construction Capex

Segment	Share of construction capex (FY26)	Growth drivers
Residential	~85%-90%	Primary growth driver; government's focus on affordable housing, PMAY-U 2.0 under the "Housing for All"
Commercial & Retail, Healthcare, Education	~10%-15%	Driven by PM Ayushman Bharat Health Infrastructure Mission and Samagra Shiksha

Source: Ministry of Industry and Commerce, Ministry of Statistics and Programme Implementation, Crisil Intelligence

Residential construction remains the primary growth driver within this segment, supported by:

- Implementation of the government's affordable housing scheme, i.e. Pradhan Mantri Awas Yojana (PMAY)

- Rising urbanisation and nuclearisation of households
- Increasing income levels and housing affordability

Total building and construction investments are expected to grow from ~Rs 13.00 trillion in fiscals 2020–2024 to Rs 18.00–18.50 trillion during fiscal 2025–2029, representing a 1.4–1.45x rise.

As of December 2025, under PMAY (Urban), approximately:

- 12.22 million houses were sanctioned
- 11.43 million houses were grounded
- 9.63 million houses were completed

The segment's projected 5.00–7.00% CAGR over fiscals 2025–2029 will be supported by continued government incentives and steady real estate demand.

From a coating's perspective, the residential segment is the key driver of decorative paint demand, including interior and exterior wall coatings, waterproofing, and wood finishes, along with repainting demand over the lifecycle of buildings.

Industrial construction segment

Industrial construction accounts for a relatively smaller share (5%–10%) of overall construction capex but plays a critical role in supporting manufacturing growth. The segment includes investments across oil and gas, metals, cement, automobiles, petrochemicals, fertilisers, and textiles.

Industrial construction capex is expected to grow at a moderate 3%–4% on-year in fiscal 2026, to Rs 910–920 billion, reflecting a gradual recovery in private sector investment.

The oil and gas sector continues to account for the largest share of industrial capex, driven by investments in refining and marketing infrastructure, followed by sectors such as metals, automobiles and cement.

Growth in industrial construction is influenced by:

- Capacity expansion in core industries
- Government initiatives such as PLI schemes and industrial corridors
- Energy transition investments (renewables, green hydrogen)

This segment drives demand for high-performance industrial coatings, including corrosion-resistant, heat-resistant and chemical-resistant coatings, used in plants, refineries and heavy industrial equipment.

Key growth drivers of the construction sector

The Indian construction sector is expected to remain structurally strong, supported by:

- Sustained government capex on infrastructure: Ongoing public investment in roads, railways, metros, airports, ports and urban infrastructure keeps execution levels high. This supports continuous demand for construction materials and finishing needs, including primers, waterproofing, and protective/anti-corrosion coatings.
- Rural development schemes driving housing and connectivity: Rural-focused spending on housing, roads, water supply and social infrastructure expands construction beyond metros. It creates volume demand for decorative paints, exterior finishes, and maintenance coatings, alongside road-marking and protective products for bridges/culverts.

- Urbanisation and real estate demand in Tier-II and Tier-III cities: Growth in migration and income in smaller cities is increasing housing, retail, and civic construction. This expands branded paint penetration and lifts consumption of mid-to-premium decorative paints, putty, emulsions and exteriors.
- Industrialisation and manufacturing growth: Policy-driven manufacturing expansion adds factories, warehouses, logistics parks and industrial estates. This increases demand for industrial protective coatings, epoxy/floor coatings, corrosion-resistant systems and high-durability finishes in harsh operating environments.
- Private sector participation in infrastructure: PPP and BOO models bring private capital and faster project delivery in sectors like roads, airports, ports and utilities. This sustains procurement cycles and also supports longer maintenance/rehabilitation demand over the asset life.
- Energy transition and infrastructure modernisation: Investments in renewables, EV/charging networks, grid upgrades and energy-efficient buildings modernise the built environment. These projects increase use of protective coatings for metal-heavy assets and drive demand for durable, performance-led coatings and waterproofing solutions.

Implications for the paint and coating industry

The growth in construction activity across infrastructure, residential, and industrial segments is expected to drive sustained demand for paint and coating in India

- Infrastructure segment drives demand for industrial and protective coatings
- Residential segment supports decorative paint and repainting cycles
- Industrial segment creates demand for specialised performance coating

Given the scale and diversity of construction activity, the paint industry benefits from both new construction demand and recurring maintenance demand, providing long-term growth visibility.

Indian real estate sector overview and outlook

India's real estate sector, particularly the residential segment comprising apartments, gated communities and integrated townships, has entered a structurally stable growth phase, supported by urbanisation, regulatory reforms (Real Estate (Regulation and Development) Act, 2016), improved access to formal housing finance, and sustained government policy support.

The sector has transitioned from a speculative, developer-led model to a more organised, demand-driven market, with increasing participation from institutional developers and consolidation among larger players.

Therefore, the sector, which is valued at ~\$482 billion in FY25, is projected to grow to \$4.80-5.80 trillion by 2047⁶. Residential real estate will remain the dominant segment, accounting for a significant share of construction activity, particularly in urban and peri-urban regions.

Residential real estate dynamics

The residential segment continues to benefit from strong policy support through schemes such as Pradhan Mantri Awas Yojana – Urban (PMAY-U). As per the Ministry of Housing and Urban Affairs, over 12.2 million houses have been sanctioned under PMAY-U, with ~11.4 million grounded and ~9.6 million completed as of December 2025, indicating significant execution progress and pipeline visibility.

⁶ Real Estate, Invest India

In addition, large-scale urban initiatives such as Smart Cities Mission (~Rs 480 billion outlay) are driving the development of integrated residential clusters, townships and urban infrastructure, particularly in tier-I and emerging tier-II cities.⁷

Also, India's urbanisation rate, currently estimated at ~35%, is expected to increase significantly, with projections of 600-800 million urban residents by 2047, creating sustained demand for multi-unit residential complexes and planned developments.⁸

Demand trends and market evolution

The residential real estate market has witnessed strong value growth, supported by rising incomes and preference for larger, amenity-driven housing formats. According to the Confederation of Real Estate Developers' Associations of India and Liases Foras, residential sales across major cities reached ~Rs 8.46 trillion in fiscal 2025, which is an on-year growth of ~16%, indicating strong demand momentum in the organised housing market.

A key structural trend has been premiumisation, with mid-to-high-end and luxury housing (Rs 10 million+) contributing over 50% of total sales value. This reflects a shift toward larger ticket-size homes, gated communities and integrated townships, particularly in metro and tier-I cities.

At the same time, affordable housing continues to be supported by government schemes, ensuring a broad-based demand profile across income segments, though growth is increasingly value-led rather than volume-led.

Linkage between real estate cycle and paint demand

The real estate sector, particularly residential construction, is a key end-use driver for the paints and coatings industry, especially the decorative paints segment. The paint products market was estimated at Rs 1.21-1.26 trillion in fiscal 2025, supported by a robust ~13.50-15.50% CAGR between FY20-FY25 driven by housing and infrastructure demand. Growth is expected to remain strong at 11.00-12.00% CAGR between fiscals 2025 and 2030, reaching Rs 2.08-2.17 trillion by 2030, led by steady decorative consumption, premiumisation, and increasing penetration beyond metros into Tier II, Tier III and beyond.

From a location perspective, consumption is historically concentrated in metro cities, but the incremental growth is increasingly shifting to non-metro markets. At present, Metro cities account for roughly 25-30% of decorative paint demand, while Tier I/Tier II markets contribute about 35-40%, and Tier III and beyond (including smaller towns and rural markets) contribute roughly 30-35%. As branded paints expand distribution and consumers upgrade from basic solutions to emulsions, exteriors, waterproofing and wall putty, penetration is rising fastest in Tier II, Tier III and beyond, which is expected to sustain the overall market's faster growth pace despite greater maturity in metro demand.

Segment-wise, residential continues to dominate paint consumption and remains the highest-growth end-use segment going forward. In fiscal 2025, Residential is estimated to contribute around 70-75% of decorative paint demand, with demand coming from both primary consumption (new housing) and secondary consumption (repainting and maintenance). Commercial real estate contributes about 10-15% and is supported by office, retail and hospitality refurbishment cycles, while institutional/public buildings contribute around 5-8% through schools, healthcare and civic infrastructure, and industrial/infrastructure coatings drive the larger industrial coatings pool.

A significant portion of this demand is derived from residential real estate, including new construction demand (primary demand) as well as repainting and maintenance demand (secondary demand).

- **New construction linkage (residential complexes):** Each new residential project, particularly multi-unit complexes and townships, generates substantial demand for paints and coatings across multiple applications:

Application area paint usages are:

⁷ 10 Years of Smart Cities Mission, Ministry of Housing and Urban Affairs

⁸ Gearing up for India's Rapid Urban Transformation, World Bank

- Exterior facades weatherproof, texture coatings
- Interior walls emulsions, primers, putty
- Common areas durable, high-traffic coatings
- Amenities clubhouse, parking, utilities coatings

Government-led housing schemes such as PMAY-U and Smart Cities further amplify demand by adding large volumes of standardised housing units, each requiring coatings during construction and finishing stages. This results in front-loaded paint demand during project completion cycles, closely linked to real estate launches and deliveries.

- **Repainting cycle (structural demand buffer):** A key structural feature of the paint industry is the recurring repainting cycle, which provides resilience against cyclicalities in real estate. Repainting cycles have shortened from 5-7 years (a decade ago, in fiscal 2015) to 3-4 years today (or lower in metros). Demand is driven by consumer behaviour (festivals, renovations, rental turnover) rather than purely construction activity. As a result:
 - Even during real estate slowdowns, paint demand remains relatively stable
 - Repainting provides a steady base demand, reducing dependence on new construction

For the paints and coatings industry

- Direct linkage: New residential construction drives primary demand
- Indirect linkage: Repainting cycles create recurring, resilient demand
- Urbanisation and housing quality upgrades increase per-unit paint consumption

Overall, the sector provides a long-term, diversified demand base for paints, supported by both new construction activities and lifecycle maintenance demand, providing visibility on structural growth.

Key government schemes focused on construction and infrastructure

The Indian government's infrastructure and construction schemes are creating direct and sustained demand for the paint and coatings industry. Large-scale investments in rural housing, roads, healthcare, schools, water infrastructure, domestic manufacturing and logistics are increasing the use of decorative paints, primers, wall putty, waterproofing systems, road-marking paints, anti-corrosion coatings, hygienic coatings, floor coatings and industrial protective finishes.

These schemes are especially important because they create both first-time demand during construction and recurring demand through repainting, maintenance and asset protection over the lifecycle of public infrastructure.

Table 14: Key Government Schemes

Scheme	Approved outlay or scale	Overview and implementation	Potential impact on paint products and application services
Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)	The Government approved an outlay of ₹3,061.37 billion for Fiscal 2025 to Fiscal 2029 for the construction of an additional 20.0 million rural houses. As of July 24, 2025, cumulative targets covering 41.2 million houses had been allocated, 38.4 million houses had been sanctioned, and	PMAY-G supports eligible rural households in constructing pucca houses with basic amenities. The additional houses approved for Fiscal 2025 to Fiscal 2029 are expected to increase the rural housing stock and extend housing construction activity across states and union territories.	For the paint industry, PMAY-G creates opportunities through the construction of new rural houses and the resulting expansion of the housing stock. New construction supports demand for interior and exterior paints, primers, wall putty, waterproofing and damp-proofing products. Over time, completed houses may also generate recurring demand through renovation, maintenance and repainting cycles. The geographic

	28.1 million houses had been completed.		spread of the scheme may further support expansion of paint distribution and application services across rural and semi-urban markets.
Pradhan Mantri Gram Sadak Yojana (PMGSY)	Under PMGSY-IV, approximately 62,500 km of roads are proposed to connect 25,000 habitations with an approved outlay of ₹701.25 billion during 2024 to 2029. As of December 2025, approximately 825,114 km of rural roads had been sanctioned under PMGSY, of which approximately 787,520 km had been completed.	PMGSY supports the construction, upgradation and maintenance of all-weather rural roads. PMGSY-III focuses on routes connecting habitations with agricultural markets, secondary schools and hospitals, while PMGSY-IV is intended to connect additional eligible habitations by 2029. The programme also incorporates digital monitoring and a multi-tier quality-control framework.	For the paint and coatings industry, PMGSY creates opportunities both directly and indirectly. Road construction, bridges, culverts and periodic maintenance support demand for road-marking paints, signage coatings, weather-resistant paints and protective coatings for metal and concrete structures. Improved all-weather connectivity may also reduce distribution constraints and enable paint manufacturers, distributors and application-service providers to serve a wider base of rural and semi-urban customers.
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)	The scheme had an approved outlay of ₹641.80 billion for Fiscal 2022 to Fiscal 2026. Its infrastructure components include 17,788 building-less sub-centres to be developed as Ayushman Arogya Mandirs, 11,024 urban health and wellness centres, 3,382 block public-health units, 730 integrated public-health laboratories and 602 critical-care hospital blocks.	PM-ABHIM was introduced to strengthen public-health infrastructure and health-service delivery across primary, secondary and tertiary care. It supports the creation and upgradation of healthcare facilities, laboratories, public-health units and critical-care infrastructure, particularly in rural and underserved areas.	For the paint and coatings industry, PM-ABHIM supports opportunities through the construction and upgradation of healthcare facilities and laboratories. Such facilities may require durable and washable wall finishes, low-VOC paints, moisture-resistant products, waterproofing systems, floor coatings and other surface treatments suitable for frequently cleaned environments. Construction and refurbishment activity may also support demand for organised application, supervision and maintenance services.
Samagra Shiksha	The revised scheme had an approved outlay of ₹2,942.83 billion, including a central share of ₹1,853.98 billion, for Fiscal 2022 to Fiscal 2026. The scheme covers approximately 1.16 million government and aided schools, more than 156 million students and approximately 5.7 million teachers.	Samagra Shiksha is an integrated school-education programme covering pre-school to Class XII. Its objectives include providing safe and conducive learning environments and supporting the strengthening and upgradation of school infrastructure. The approved period referred to in the available government material ended on March 31, 2026. Any continuation beyond that date should be updated after confirmation from the relevant government notification.	For the paint industry, expenditure on the construction, strengthening, repair and maintenance of classrooms, laboratories, toilets, hostels and other school facilities supports demand for interior and exterior paints, primers, wall putty, waterproofing products and washable and moisture-resistant finishes. The large stock of government and aided school buildings also creates recurring requirements for repainting and maintenance due to regular use and weather exposure.
Production Linked Incentive schemes	The PLI schemes have an aggregate approved incentive	The PLI schemes provide incentives linked to incremental	For paint and coatings manufacturers, these initiatives create opportunities in

under Atmanirbhar Bharat and Make in India initiatives	outlay of ₹1,970.00 billion across 14 sectors, including automobiles and auto components, electronics, pharmaceuticals, specialty steel, white goods, textiles, solar modules and advanced chemistry cells.	production and sales and are intended to promote domestic manufacturing, attract investment, achieve scale and strengthen industrial supply chains. As of mid-2025, approved participants had reportedly generated investment of approximately ₹1.76 trillion and aggregate sales exceeding ₹16.5 trillion.	two ways. First, they support expansion of domestic manufacturing and industrial supply chains, including the production of paints, coatings and related inputs such as resins, additives and pigments. Second, investments across automobiles, electronics, pharmaceuticals, specialty steel, white goods, textiles and other manufacturing sectors increase downstream requirements for industrial paints, primers, floor coatings, waterproofing systems and protective finishes. Development and expansion of manufacturing facilities may also support demand for Turnkey Paint Projects involving material supply, surface preparation, application, project supervision and quality control.
PM Gati Shakti National Master Plan	PM Gati Shakti is an integrated infrastructure-planning framework rather than a standalone expenditure scheme. As of October 2024, 208 major infrastructure projects with an aggregate value of ₹15,390 billion had been assessed under the framework. The platform had onboarded 44 central ministries and 36 states and union territories and integrated 1,614 data layers.	Launched in October 2021, PM Gati Shakti facilitates integrated planning and coordinated execution across roads, railways, ports, airports, waterways, mass transport, logistics infrastructure and economic zones. The platform brings together infrastructure information across government departments to identify connectivity gaps and improve project planning and implementation.	For the paint and coatings industry, PM Gati Shakti supports opportunities by facilitating coordinated development of transport, logistics and industrial infrastructure. Construction and maintenance of roads, bridges, ports, airports, logistics facilities, warehouses and related assets support demand for road-marking paints, waterproofing systems, floor coatings, weather-resistant paints and protective finishes. Increasingly large and coordinated infrastructure projects may also support demand for Turnkey Paint Projects requiring technical planning, material coordination, skilled workforce mobilisation, site supervision and project-level quality control.

Source: Ministry of Rural Development, Ministry of Health and Family Welfare, Ministry of Education, Ministry of Jal Shakti, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Press Information Bureau releases, Crisil Intelligence

Budget 2026-2027 and its impact on the construction and infrastructure segment

The Union Budget 2026-27 continues to reinforce the Government of India's infrastructure-led growth strategy, with a capital expenditure outlay of Rs 12.22 trillion, accounting for 3.10% of GDP and marking an increase of 9.01% over the budgeted capital expenditure of Rs 11.21 trillion in Fiscal 2026. Continued public investment in roads, railways, housing, urban infrastructure, logistics and other capital assets is expected to support construction activity, thereby increasing demand for paints, waterproofing products, protective coatings and paint application services.⁹

The continued focus on infrastructure spending is expected to encourage private investments, improve logistics efficiency and accelerate development across urban and rural regions. Key thrust areas include roads, railways, housing, waterways and urban economic clusters, all of which are core demand drivers for construction inputs such as cement, steel, pipes,

⁹ India's Union Budget FY 2026-2027: Key Highlights, Invest India

and paints and coatings. Additionally, initiatives such as the Infrastructure Risk Guarantee Fund are aimed at derisking private-sector participation during the construction phase, thereby improving project execution and capital flow into infrastructure assets.¹⁰

Rural infrastructure and housing push

The Union Budget 2026-2027 places significant emphasis on rural development, with allocation to the Ministry of Rural Development increasing to Rs 2.73 trillion, reflecting a sharp rise compared with historical levels.¹¹ Key schemes such as PMAY-G and PMGSY continue to receive strong budgetary support.

Allocation toward PMAY-G (rural housing) has increased to approximately Rs 549 billion in fiscal 2027 (budget estimates), reflecting the government's continued focus on rural housing. The scheme targets construction of 49.50 million houses, of which over 38.00 million have been sanctioned and ~29 million completed, indicating strong execution progress.

This sustained investment is expected to have a direct multiplier effect on demand for construction materials such as cement, steel and decorative paints, as rural housing continues to transition toward pucca structures with improved quality and finishing standards.

Similarly, the Rs 190 billion allocation for PMGSY supports the expansion of rural road networks and last-mile connectivity, including development under the Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) scheme, with over 7,324 km of roads targeted. Improved connectivity enhances accessibility to rural areas, enabling distribution of construction materials and accelerating infrastructure development in Tier-II and Tier-III regions.

Additionally, renewed focus on the JJM, following earlier funding moderation, is expected to drive investments in water supply infrastructure, including pipelines, treatment plants and storage systems. This contributes to the demand for protective coatings, anti-corrosion solutions and maintenance paints used in water infrastructure.

Urbanisation and regional economic development

The union budget 2026-27 introduced a focus on City Economic Regions (CERs), with an allocation of Rs 50 billion per region over a five-year period, aimed at developing integrated urban clusters across India. These regions are expected to act as growth hubs, promoting industrialisation, urban infrastructure and real-estate development.

Additionally, investments in high-speed rail corridors (seven identified corridors), dedicated freight corridors and development of 20 national waterways are expected to enhance multimodal logistics infrastructure. These initiatives are likely to drive construction activity across urban transport systems, industrial corridors, ports and logistics parks.

Urban infrastructure expansion supports the demand for both decorative paints (residential and commercial real estate) and industrial coatings (transport infrastructure, railways, ports and warehouses), creating diversified growth avenues for the paints and chemicals industry.

Sectoral implications for construction and paint industry

The continued increase in public capex and infrastructure investments under Union Budget 2026-2027 is expected to have a multiplier effect on the construction ecosystem, supporting both new project development and maintenance of existing infrastructure assets.

Key implications include:

- Sustained demand for decorative paints driven by rural housing (PMAY-G) and urban real-estate expansion

¹⁰ Infrastructure Development in India, PIB

¹¹ Union Budget 2026-2027; Rural Transformation through Decentralization, PIB

- Growth in industrial and protective coatings due to investments in roads, railways, waterways and public infrastructure
- Increased maintenance demand for infrastructure assets such as bridges, water systems and public buildings
- Improved supply-chain efficiency, reducing logistics costs for construction materials
- Stabilisation of raw-material supply, supported by policy initiatives such as development of chemical parks

Overall, the Union Budget reinforces a long-term structural growth outlook for infrastructure and construction-linked sectors, positioning them as key beneficiaries of government spending. This, in turn, creates a favourable demand environment for paints and coatings manufacturers, particularly those with exposure to decorative and industrial segments.

Crisil

Overview of the Paint products market in India

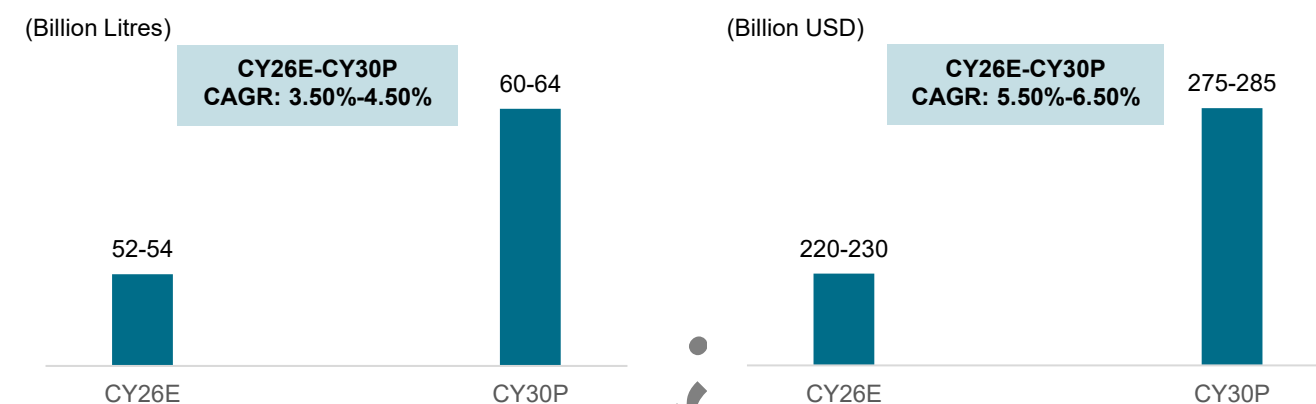
Paint Industry: Introduction

Global paints and coating Industry

The global paints and coatings industry is a large and diversified market serving decorative architectural, OEM/industrial and special-purpose applications. The industry was estimated at approximately USD 202 billion in value terms and 48.90 billion litres in volume terms in CY 2024¹².

In CY2026 Global paints and coatings industry is estimated to have grown to approximately USD 220-230 billion in value terms and 52-54 billion litres in volume terms.

Figure 9: Global Paints & coatings industry Market size (Volume & Value-wise) (CY2026E) and outlook (CY2030P)



E-Estimated; P-projected
 Source: Crisil Intelligence, Industry

The market is projected to reach approximately USD 275-285 billion by 2030, implying a ~5.50%-6.50% CAGR in value terms and ~3.50%-4.50% CAGR in volume terms over CY 2026-2030. Growth is expected to be supported by building and construction, infrastructure, industrial activity, energy and transportation investments, urbanisation, and increasing demand for sustainable and high-performance coatings. The higher growth rate in value terms relative to volume indicates an anticipated shift toward premiumisation, including greater adoption of higher-performance, specialty, sustainable, and technologically advanced coatings, alongside potential pricing and product-mix improvements.

India's paints and coating Industry

The Indian paint industry has matured into a structurally resilient, consumption-linked sector, with demand growth that has consistently outpaced broader economic growth due to its tight linkage with housing, construction, renovation, premiumization and rising discretionary spending.

The sector supports construction, infrastructure and manufacturing by providing coatings for protection, aesthetics and durability, aligning closely with India's urbanisation and industrial activity. India's real GDP grew at a 7.35% CAGR between fiscals 2023 and 2026, reaching Rs 323.12 trillion, reflecting a resilient macroeconomic backdrop. In comparison, the Indian paint market expanded at a much faster pace, growing at ~13.50%-15.50% CAGR between fiscals 2020 and 2025 from Rs 620-640 billion to Rs 1,210-1,260 billion, nearly double the pace of GDP growth. This outperformance was

¹² World Coatings Council (WCC), American Coatings Association

driven by strong housing and infrastructure demand, rising repainting frequency, premiumisation, higher disposable incomes, and increasing penetration in rural, tier 2 and tier 3 markets.

Going forward, the paint market is expected to continue outpacing broader economic growth and nearly double, with demand projected to rise at 11.00%-12.00% CAGR between fiscals 2025 and 2030 to reach Rs 2,080-2,170 billion by fiscal 2030, supported by continued residential and real estate completions, renovation-led demand, product mix upgrades and expanding organised distribution.

Figure 10: Market size (Volume-wise) review (FY20-25) and outlook (FY25-30P)

(Billion Litres)

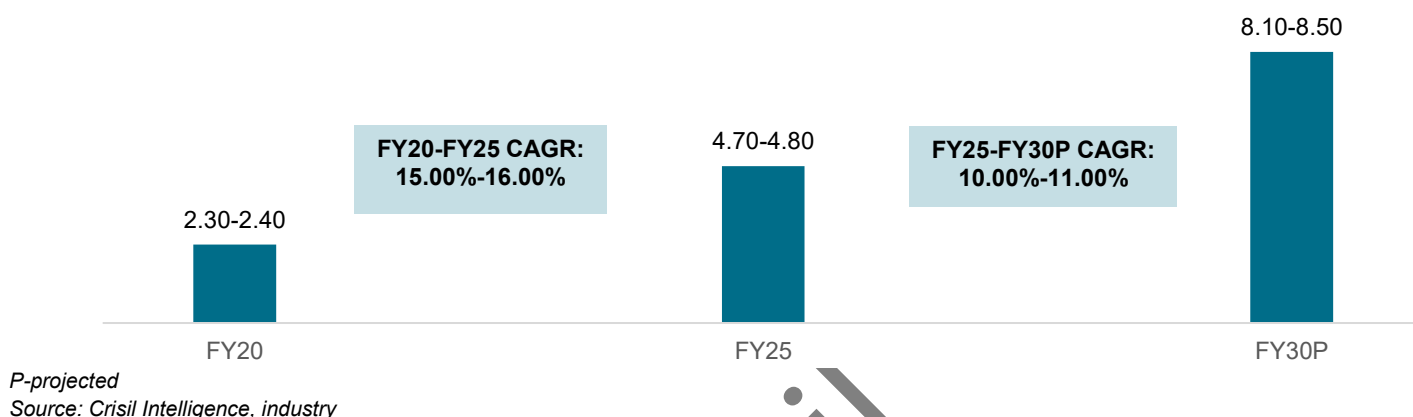
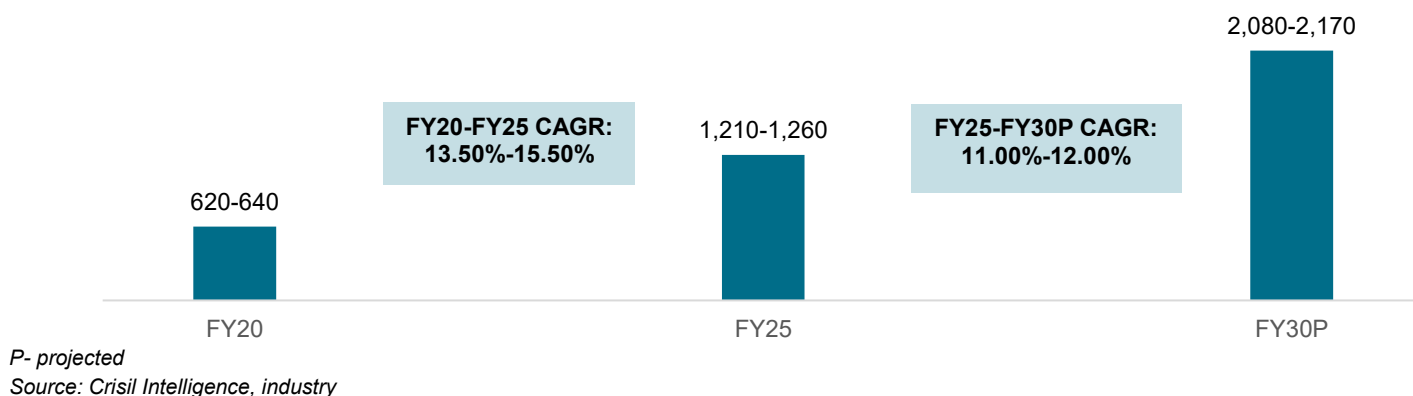


Figure 11: Market size (Value-wise) review (FY20-25) and outlook (FY25-30P)

(Rs. Billion)



The Indian paint market demonstrated strong growth, expanding from Rs 620-640 billion in Fiscal 2020 to Rs 1,210-1,260 billion in Fiscal 2025, representing a CAGR of approximately 13.50%-15.50%. Growth in the paint market was primarily supported by sustained momentum in residential real estate and infrastructure activity, which increased demand for decorative and protective coatings. The market also benefited from shorter repainting cycles, particularly in urban and semi-urban areas, as consumers increasingly viewed painting as part of home improvement and aesthetic enhancement rather than solely as a maintenance activity. In addition, premiumisation, increasing consumer preference for branded products and deeper penetration across Tier 2 and Tier 3 markets contributed to the industry growing faster than the overall economy during this period. Going forward, the industry is projected to expand at a CAGR of approximately 11.00%-12.00% between Fiscal 2025 and Fiscal 2030 to reach Rs 2,080-2,170 billion, supported by sustained demand for decorative paints, continued residential and commercial construction and infrastructure activity, increasing repainting requirements and further formalisation of the market. While the growth prospects of the industry continue to attract new participants, established and organised players benefit from moderate-to-high entry barriers, including the need to

develop extensive distribution networks, establish brand recognition, manage working capital-intensive operations and maintain manufacturing, formulation and technical capabilities across product segments.

Table 15: Per capita Paint Consumption

Indicator	FY25	Impact on Industry
Per capita consumption	3.50-4.50 kg in India vs 10.00-15.00 kg globally	Significant headroom for growth

Source: NSO, Ministry of Statistics and Programme Implementation (MoSPI), industry, Crisil Intelligence

India's per capita paint consumption is estimated at ~3.50-4.50 kg, significantly lower than the global average of ~10.00-15.00 kg, indicating substantial growth potential. Consumption has increased steadily over the past decade, supported by urbanisation and rural penetration, but remains lower than developed markets, providing long-term volume growth opportunities.

Paint Product taxonomy and classification

Paints and coatings are chemical formulations applied to surfaces primarily for protection, decoration and functional enhancement. They typically comprise pigments (for colour and opacity), binders/resins (for adhesion and film formation), solvents (for application viscosity) and additives (such as anti-fungal, anti-corrosive, or ultraviolet [UV] resistance for performance enhancement). The industry serves a wide range of end-use sectors, including construction, automotive, industrial manufacturing, infrastructure and consumer durables.

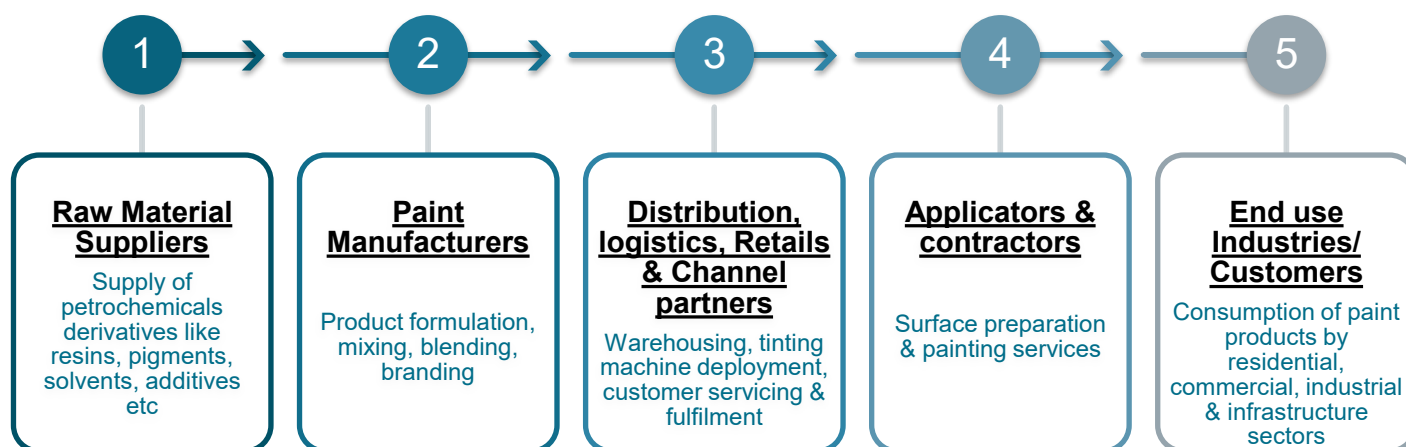
Classification by application

From usage perspective, paints can also be classified into:

- Interior walls, ceilings, interiors of buildings
- Exterior building facades, infrastructure surfaces
- Protective industrial and infrastructure assets
- Functional waterproofing, insulation, fire protection

Paint Industry Value Chain

Figure 12: Flow of Paint Industry Value Chain



Source: Industry, Crisil Intelligence

Paint Industry Value Chain:

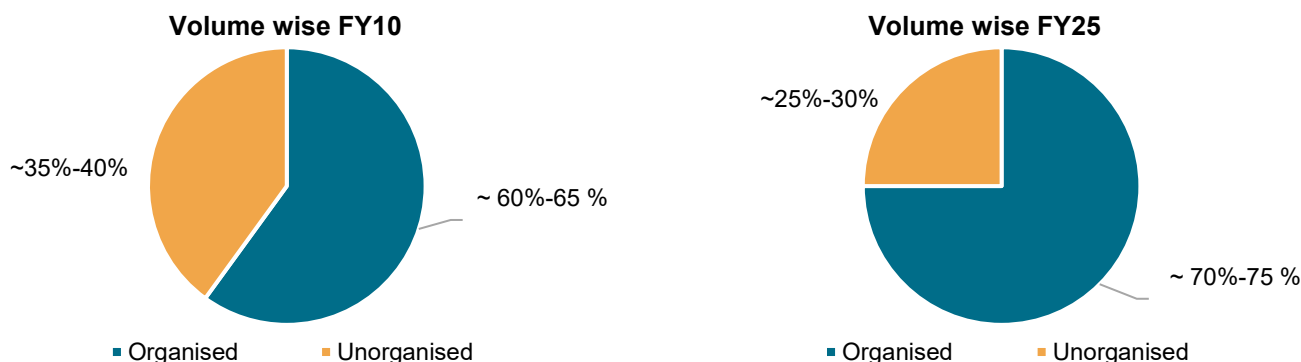
1. **Raw material suppliers:** Supply pigments, binders/resins, solvents (where applicable), additives, extenders and packaging inputs. Raw material sourcing and cost volatility directly impact paint pricing, gross margins and the ability to fund product innovation.
2. **Paint manufacturers (formulation + production):** Convert inputs into finished coatings across categories (e.g., decorative emulsions/primers, industrial/wood coatings, etc.). Manufacturers manage R&D, quality control, tinting compatibility (for colour-based SKUs), capacity planning and brand/product portfolios (including premium lines).
3. **Distribution, logistics, retailing:** Move finished paints from plants to depots and to dealers/retailers across geography. This stage ensures availability (including smaller pack sizes), replenishment reliability, channel margin economics, and operational support such as warehousing, primary-secondary logistics, and tinting/ordering infrastructure.
4. **Paint application and contracting:** Involve contractors, painters and applicators who advise on product selection, perform surface preparation, handle application technique and ensure final appearance/performance. This link is critical because “right product + right prep + right application” largely determines customer satisfaction and subsequent repainting propensity.
5. **Consumption (end use demand):** Demand comes from residential, commercial, infrastructure and industrial activities. Growth is typically driven by construction cycles, renovation/repainting frequency, industrial output and infrastructure spend, and by consumer preference for durability, washability, aesthetics and premium finishes.

The industry in India is characterised by a shift toward organised players, driven by branding, distribution strength, product innovation and compliance requirements. The painter/partner network and local retail outlets play a critical role in shaping customer decisions. Customers tend to rely on neighbourhood partners and painters who understand regional preferences, speak the local language, and have established trust within the community. As a result, product recommendations at the dealer level often outweigh brand advertising. This makes dealer-driven marketing essential, where companies focus on strong trade relationships, localized promotions, and in-store visibility to influence purchase decisions at the point of sale.

Industry structure – organised vs unorganised segment

Organised players dominate the Indian paint industry, reflecting broader economic formalisation trends, regulatory changes and increasing consumer preference for branded products. The industry has witnessed a structural shift over the past decade, with the organised segment gaining significant market share due to advantages in brand equity, distribution reach, product innovation and compliance capabilities including the ability to manage environmental consents, pollution-control requirements, hazardous-waste handling, and product-quality documentation at scale. This is becoming increasingly important as regulatory oversight tightens and customers show greater preference for low-VOC, safer, and standards-compliant products.

Figure 13: Share of organised segment in the paint industry (Volume wise, FY10 and FY25)



Source: Industry, Crisil Intelligence

As of fiscal 2025, the organised segment accounted for approximately ~70%-75% of the overall domestic paint market and the unorganised segment constituted ~25%-30%. This represents a significant shift from historical trend. In fiscal 2010, the unorganised segment accounted for 35%-40% of the market in the early 2010s, a reflection of the ongoing formalisation of the industry. The migration from unorganised to organised players indicates a structural transformation of the paint industry, where scale, innovation, and supply chain efficiency are becoming key competitive differentiators. This transition has materially strengthened the industry structure, as organised players are better placed to invest in brand building, product innovation, dealer relationships, tinting infrastructure and supply-chain efficiencies. As a result, the paint industry is increasingly moving towards a more consolidated and brand-led growth model, where scale, distribution reach, technical capabilities and pricing discipline are likely to remain key competitive advantages. Over the medium term, formalisation is expected to support better demand visibility, improved product mix, higher premiumisation and more resilient profitability for established players, even as entry barriers remain moderate to high for new entrants.

1. Organised segment:

The organised segment comprises large, established players with strong pan-India presence and includes companies such as Technopaints and Chemicals Limited, Asian Paints, Berger Paints, Birla Opus, Kansai Nerolac, JSW Dulux Limited (formerly Akzo Nobel India Limited) and Indigo Paints. These players collectively account for a significant share of the market, with the top 4-5 players enjoying ~90% of total organised industry revenue. The organised paint segment is led by established players with varying degrees of geographic reach and market depth. Asian Paints and Berger Paints have a strong pan-India presence, supported by extensive dealer networks, supply-chain scale and high brand recall across urban, semi-urban and rural markets.

Key characteristics of the organised segment include:

- Extensive distribution networks is one of the key competitive differentiators, including urban and rural dealer penetration ensures wide product availability and strong reach across markets, allowing companies to be present where demand arises. This also strengthens relationships with dealers, who play a key role in influencing purchase decisions.
- Brand equity is one of the key competitive differentiators in the paint industry, where product performance and longevity are important considerations in purchase decisions. Strong brand recognition contributes to consumer trust, repeat demand and customer loyalty and may enable organised players to command price premiums, particularly in premium and value-added product categories.
- Advanced product offerings, including premium emulsions, waterproofing and specialty coatings allows companies to cater to different use cases and budgets, while also tapping into higher-margin segments such as waterproofing and protective solutions that go beyond basic decorative painting.

- Investment in manufacturing capacity and technology, including automated plants and tinting systems supports consistent product quality and the ability to scale efficiently. Tinting machines at dealer outlets also make it easier to offer a wide range of shades without holding large inventories.
- Compliance with environmental and regulatory standards, including volatile organic compound (VOC) norms and safety requirements enables participation in institutional and government projects where adherence to standards is mandatory, while also reducing regulatory risk and aligning with increasing customer awareness around safer, low-emission products

The increasing dominance of the organised segment is driven by multiple structural factors, such as implementation of goods and services tax, which has reduced tax arbitrage and improved transparency; regulatory compliance requirements, including environmental and quality standards; rising consumer preference for branded and higher-quality products; technological advancements, such as tinting machines, enabling product customisation; and growth in housing and infrastructure, where quality and reliability are critical.

Organised players are increasingly expanding into tier 2 and 3 markets, strengthening their presence in regions traditionally dominated by unorganised players. This shift is expected to steadily increase the share of organised players, supported by rising brand awareness, preference for quality products, deeper dealer networks and greater availability of tinting and service infrastructure. The formalisation trend is likely to provide further impetus to players already present in these markets, while also encouraging national and regional players to expand into tier 2 and 3 locations to capture incremental demand.

Unorganised segment:

The unorganised segment comprises many small and regional manufacturers, typically operating at a local or district level. The segment is highly fragmented, with an estimated 2,000–3,000 small-scale players, primarily focused on low-cost decorative paints.

Key characteristics include:

- Price-driven offerings, targeting cost-sensitive customers
- Limited product range, primarily economy emulsions and distempers
- Strong presence in rural and semi-urban markets
- Higher dealer margins to drive distribution
- Limited branding and technological capabilities

While the segment continues to cater to a specific price-sensitive customer base, it faces increasing pressure from organised players due to increasing affordability and expanding distribution reach of branded products.

Emerging trends and outlook

The Indian paint industry is expected to witness continued formalisation over the medium term, with the organised segment projected to further increase its market share.

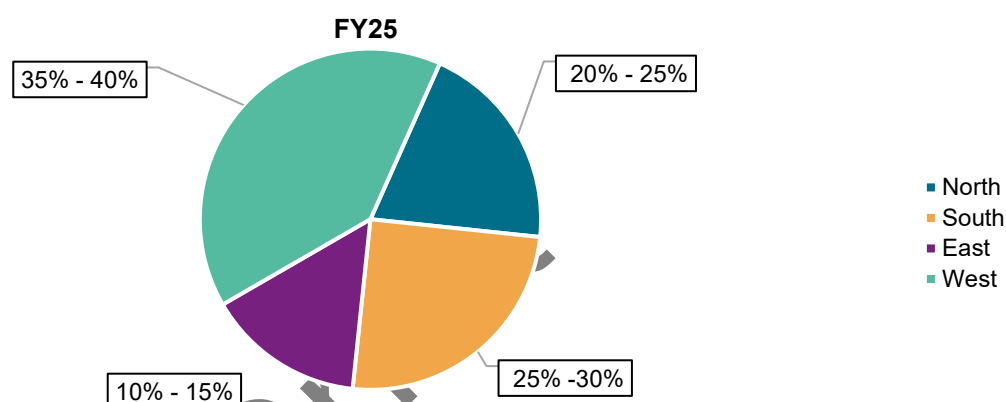
- Organised share is expected to reach ~85%–90% by fiscal 2030, driven by continued consolidation and competitive pressures
- The entry of new large players (e.g., Grasim Industries, JSW Group) is expected to intensify competition, particularly in the mid and premium segments
- Increasing focus on premiumisation, sustainability and product differentiation including value added products will further strengthen the position of organised players

Overall, the domestic paint industry is transitioning toward a more organised, competitive and innovation-driven structure, with the organised segment continuing to gain share at the expense of unorganised players. This structural shift is expected to support improved product quality, stronger distribution efficiency and sustained industry growth, while also enhancing the resilience and scalability of leading paint manufacturers. At the same time, newer entrants are moving beyond initial disruption and steadily consolidating their positions through large-scale capacity creation, rapid dealer and distribution expansion, and strategic acquisitions.

Demand segmentation by region

The demand for paints and coatings in India exhibits distinct regional variations, driven by differences in urbanisation levels, construction activity, industrialisation and income profiles. The western and southern regions dominate overall paint consumption, supported by higher concentration of urban centres, real estate development and industrial clusters, while the northern and eastern regions are emerging as incremental growth markets.

Figure 14: Demand mix by region



Source: Industry, Crisil Intelligence

Note: The regional buckets are indicative market groupings. West includes Maharashtra and Gujarat; South includes Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Telangana and Puducherry; East includes Bihar, Jharkhand, Odisha and West Bengal; while North is used in a broader market sense to include Delhi NCR and adjoining northern/central states such as Haryana, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand

The western region, comprising Maharashtra and Gujarat, accounts for the largest share of paint demand at 35%-40%, driven by strong presence of urban real estate markets (Mumbai, Pune, etc.) and industrial clusters (chemicals, petrochemicals and automotive hubs in Gujarat). The region benefits from high infrastructure activity, port-led industrialisation and strong OEM demand, making it a key market for both decorative and industrial coatings.

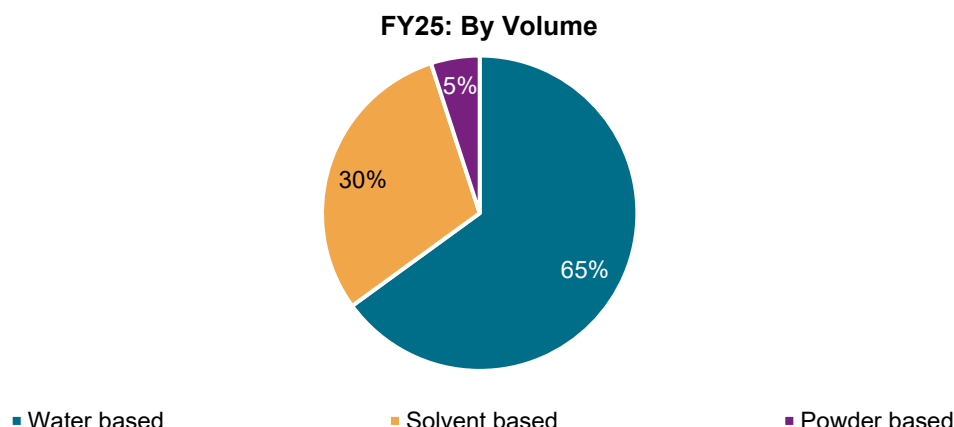
The southern region, contributing 25%-30% of demand, is supported by a mix of urban consumption and manufacturing activity, particularly in cities such as Bengaluru, Hyderabad and Chennai. The region has seen strong growth in IT-led urbanisation, automobile manufacturing and housing demand, along with higher adoption of premium and water-based paints, making it one of the fastest-evolving markets in terms of product mix and technology adoption.

The northern region, accounting for 20%-25% of demand, is driven by the Delhi NCR and surrounding urban centres, along with states such as Uttar Pradesh and Haryana that are seeing increased infrastructure investments. Demand in this region is supported by residential construction in Tier II cities and large-scale infrastructure projects (expressways, airports), though it tends to be relatively more cyclical due to policy and execution dependencies.

The eastern region, with 10%-15% share, remains relatively underpenetrated but offers significant long-term growth potential. Demand is currently constrained by lower per capita income levels and slower urbanisation but is gradually improving due to government-led infrastructure projects, mining operations and metals manufacturing (Odisha), and housing schemes in states such as West Bengal and Bihar. The region is expected to benefit from increasing distribution reach and rural housing demand, making it a key emerging market.

Demand segmentation by water based, solvent based & power based

Figure 15: Demand segmentation based on Formulation Type



Source: Industry, Crisil Intelligence

The Indian paint industry's volume mix is largely skewed towards water-based coatings, which account for 65% of the market, reflecting the dominance of decorative paints, especially emulsions and wall coatings used in residential and commercial applications. Their higher share is driven by ease of application, faster drying, lower odour, and relatively better environmental profile compared with solvent-based alternatives. Solvent-based coatings account for 30% of volumes and continue to remain relevant in enamels, industrial coatings, automotive, and protective applications where durability, gloss, adhesion, and resistance to harsh conditions are critical. Powder-based coatings, with a 5% share, remain a niche segment, largely used in specialised industrial applications requiring high-durability finishes and efficient application processes.

Demand segmentation by paint type

The Indian paint products market is broadly segmented as decorative, industrial, automotive and value-added/ speciality coatings, each catering to distinct end-use industries, such as construction, infrastructure, manufacturing and automobiles. The demand mix reflects India's economic structure, with construction-led demand dominating the overall paint consumption.

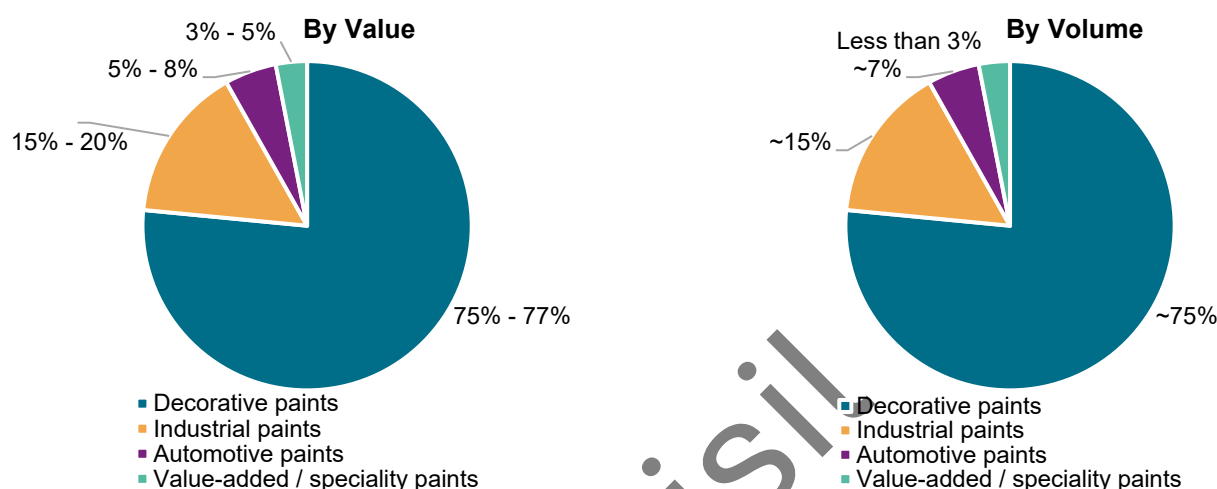
- a. Decorative paints: These are primarily used in residential and commercial buildings, including apartments, townships, offices and retail spaces and are further segmented into:
 - Interior paints: Emulsions, distempers, primers used for walls and ceilings
 - Exterior paints: Weather-resistant coatings designed for durability against UV radiation, moisture, and pollution
 - Wood finishes and enamels: Used for doors, furniture and metal fixtures

Decorative paints account for a major share (~75%, 3.50-3.60 Billion litres) of the domestic paint market by volume (4.70-4.80 Billion liters), driven largely by housing demand and repainting cycles.

- b. Industrial paints: Industrial paints are used in manufacturing and infrastructure applications, where performance requirements, such as corrosion resistance, heat resistance and durability are critical. Key segments include protective coatings (used in infrastructure such as bridges, pipelines and power plants) and general industrial coatings (used in machinery, appliances and fabricated metal products). This segment is closely linked to industrial capex cycles and infrastructure investments.

- c. Automotive paints: Automotive coatings are applied on passenger vehicles, commercial vehicles and two-wheelers, and include original equipment manufacturer (OEM) coatings (applied during manufacturing) and refinish coatings (used in repair and repainting). This segment is dependent on automotive production volumes and replacement demand.
- d. Specialty and value-added coatings: This category includes high-performance and niche applications such as waterproofing solutions, fire-retardant coatings, powder coatings, and marine and aerospace coatings. These segments are gaining importance due to increasing focus on durability, sustainability and advanced material performance.

Figure 16: Demand mix by paint type (FY25)



Source: Industry, Crisil Intelligence

The paint market remains heavily skewed toward decorative paints, which account for over three-fourths (~75%) of the total demand, volume wise. This dominance is driven by strong linkage to residential construction, urbanisation and repainting cycles, making the segment relatively resilient across economic cycles. Increasing penetration in Tier 2 and 3 cities continues to support steady growth in this segment, along with premiumisation trends as customers shift from basic products to higher-value interior emulsions, exterior weatherproof coatings, waterproofing solutions, wood finishes, textures, and other specialty offerings.

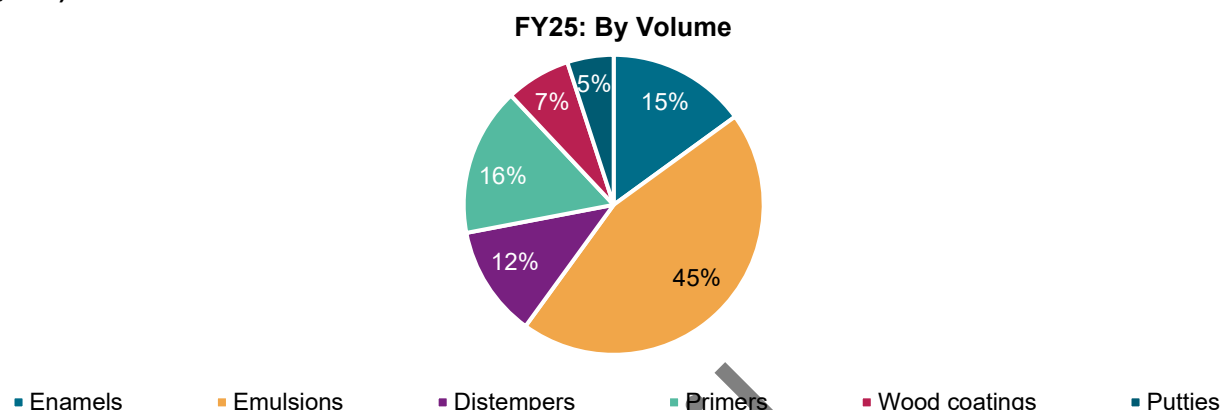
Industrial paints, accounting for 15%-20% of the market value and ~15% of market volumes, are closely linked to infrastructure development and industrial capex cycles. While growth in general industrial coatings tends to be moderate, segments such as protective coatings (infrastructure, energy and marine) are witnessing stronger traction, supported by government-led investments in roads, railways and urban infrastructure.

The automotive paint segment, though smaller at 5%-8% of market value and ~7% of market volumes, remains a technology-driven and organised segment, supported by steady growth in automobile production and refinish demand. Increasing localisation, growth in EV manufacturing and demand for advanced coatings are expected to support long-term expansion in this segment.

The Indian paint industry is witnessing a shift in consumer perception, with paints increasingly being viewed not only as construction inputs but also as aesthetic, lifestyle and experience-led products. This shift is driving demand for premium and value-added paints, which represented a market size of approximately 0.13 to 0.15 billion litres in volume terms and approximately Rs 48-52 billion in value terms in Fiscal 2025. The paint products' average industry realisation is estimated at around Rs150/kg, while premium and value-added paint products command much higher price points, supported by enhanced performance, durability and functional benefits.

Within this broader premiumisation trend, value-added and specialty coatings are emerging as a distinct high-growth category, supported by demand for enhanced performance, durability and functional benefits. Value-added and specialty coatings, while currently accounting for a smaller share (~3%-5%) in the market value and less than 3% share in the overall market volumes, represent a high-growth segment, driven by increasing focus on durability, sustainability and performance enhancement. Products such as premium emulsions, waterproofing solutions, fire-retardant coatings and anti-corrosion coatings are gaining traction, particularly in infrastructure projects and premium residential developments, contributing to higher value realisation for manufacturers.

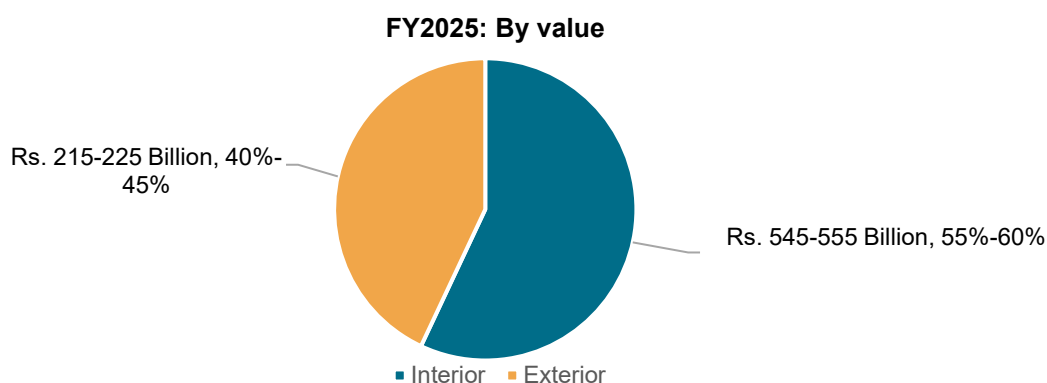
Figure 17: Demand segmentation by sub-product type (Enamels, emulsions, distempers, primers, wood coatings, putties, etc.)



Source: Industry, Crisil Intelligence

The Indian paint mix is dominated by emulsions (45%), underscoring the market's emphasis on interior wall coatings and the broad-based residential demand for washable, decorative finishes. Primers (16%) and enamels (15%) form the next tier, reflecting sustained requirements for surface preparation and protective coating applications, respectively, particularly where durability and finish quality matter. Distempers (12%) still represent a meaningful share, typically linked to value segments and specific regional/usage patterns, while wood coatings (7%) and putties (5%) indicate more niche but structurally important categories that support the coatings value chain through protection of wooden surfaces and improved surface levelling/finish. Overall, the mix suggests a market skewed towards decorative and wall-focused consumption (emulsions plus distempers), with consistent demand for system-building products (primers, putties) that enhance application performance creating a basis for premiumisation as quality expectations and organised distribution deepen.

Figure 18: Decorative paint demand segmentation by application: Interior vs exterior



Source: Industry, Crisil Intelligence

From application perspective, decorative paints are broadly divided into interior and exterior coatings, with interior paints accounting for a relatively higher share due to more frequent repainting cycles.

Interior applications typically account for ~55%-60% of decorative paint demand, driven by higher repainting frequency and evolving consumer preferences for aesthetics and finishes. Exterior paints account for the balance ~40%-45%, with demand driven by new construction activity and periodic maintenance requirements, particularly in urban and coastal environments where durability is critical.

Growth Drivers

The Indian paint industry is supported by a combination of structural demand drivers and evolving consumer preferences, including rising urbanisation, increasing income levels and sustained growth in construction and infrastructure. The sector continues to benefit from a low per capita consumption base, increasing formalisation and technological advancements, which together provide long-term growth visibility.

Table 16: Key growth drivers

Drivers	Data Points	Impact on Industry
Per capita consumption	3.50-4.50 kg in India vs 10.00-15.00 kg globally	Significant headroom for growth
Income growth	Net Per capita incomeRs114,710 (FY25 PE), Gross Per capita IncomeRs131,544 (FY25 PE)	Premiumisation and higher repainting
Repainting cycle	5-6 years vs global average of 4-5 years	Recurring demand visibility
Organisation shift	70%-75% share (FY25)	Stronger pricing and distribution
Sustainability trends	~65% water-based paints	Shift towards eco-friendly products
Construction linkage	Decorative 75% + demand share	Core volume driver
Automotive growth	5%-8% market share; steady growth of 6%-8%	Industrial coating driver
Technology adoption	Shift to advanced formulations	Higher margins and product innovations

Source: NSO, Ministry of Statistics and Programme Implementation (MoSPI), industry, Crisil Intelligence

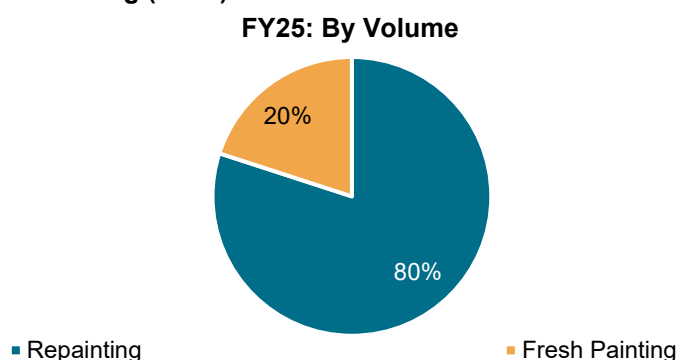
A key demand driver for the industry is its strong linkage with the construction and real estate sectors. Decorative paints account for approximately 75% or more of total paint demand, making the industry highly dependent on residential and commercial real estate activity. Growth in the residential-real estate (FY21-25:Rs11.97 trillion; FY26-30P:Rs17.56; 1.47 times) industry is expected to directly translate into higher demand for paints, as newly completed housing projects, commercial buildings, offices, retail spaces and townships require initial coating applications before handover or occupation. In addition, rising property transactions in the secondary housing market are expected to support repainting and renovation-led demand, as new homeowners typically invest in interior upgrades and home aesthetics. Continued urbanisation, development of affordable and mid-income housing, and expansion of organised real estate projects are also expected to create a steady pipeline of demand for both interior and exterior decorative paints. Therefore, sustained growth in real estate construction and completions is likely to remain a core volume driver for the Indian paint industry.

The country's per capita net national income has increased to Rs 114,710 in fiscal 2025 from Rs 108,786 in fiscal 2024, driven by economic growth and urbanisation¹³. Rising income has led to a shift toward premium and branded paints, increased spending on home aesthetics and higher repainting frequency, particularly in urban and semi-urban markets.

¹³ Economic Review, Ministry of Statistics and Programme Implementation

Similarly, the construction and real estate sector remains a core volume driver for the paint industry. Since decorative paints form the largest segment of the market, demand is closely linked to new project completions, housing sales, commercial real estate development and renovation activity. As the real estate industry grows, paint demand is expected to increase not only from first-time painting of new properties but also from repainting and refurbishment of existing homes purchased in the resale market. This makes the paint industry a direct beneficiary of growth in residential, commercial and urban infrastructure development.

Figure 19: Repainting vs Fresh Painting (FY25)



Source: Industry, Crisil Intelligence

Repainting constitutes a significant driver of demand, particularly within the decorative paints segment, which accounted for approximately 80% of total paint consumption. The frequency of repainting has increased over time, supported by rising household incomes and evolving consumer preferences toward improved home aesthetics. In earlier years, repainting cycle was 7-8 years because major issue was the hassle involved in the painting process causing issues like disruption to daily life, smell of fresh paint and post paint cleaning of property after painters left. These problems were major concern of consumers caused delays in repainting. It has now reduced to 3-4 years. This reduction in the repainting cycle is expected to support stable and recurring demand, relatively independent of new residential construction activity. In addition, repainting is increasingly undertaken for aesthetic enhancement rather than maintenance purposes. The adoption of faster service models and technology-enabled solutions, including AI-based colour selection tools, has further facilitated planning and execution of repainting activities.

Popularity of eco-friendly and low-VOC paints is increasing driven by regulatory requirements and consumer awareness. Water-based paints now account for ~65% of total consumption, with increasing adoption of powder coatings and advanced formulations in industrial and automotive applications.

The industry is witnessing increasing adoption of advanced formulations and manufacturing technologies, including water-based and UV-curable coatings, nano-based additives for enhanced durability and automation and digitisation across manufacturing and distribution. This is creating opportunities for collaborations with domestic and international product and technology partners to introduce differentiated coating solutions, access technical expertise and strengthen product-development capabilities. These advancements are supporting product differentiation, improved performance, operating efficiencies and sustainability objectives.

Overall, the Indian paint industry is supported by strong structural drivers, including low per capita consumption, rising income levels and sustained construction activity. In addition, increased formalisation, technological innovation and growing demand for sustainable products are expected to further strengthen growth prospects, positioning the sector for steady expansion over the medium to long term.

Key trends and Impact of commodity prices on margins of the paint industry

The Indian paint industry is significantly exposed to commodity price volatility, particularly crude oil and its derivatives, which form the backbone of key raw materials such as resins, solvents, monomers and additives. Given the high raw material intensity of the industry, fluctuations in input prices have a direct and material impact on operating margins, making profitability sensitive to global commodity cycles.

Table 17: Raw materials cost structure

Raw Material Category	% of Total Production Costs	Key Inputs
Crude oil-linked derivatives	50%-55%	Includes resins, solvents, monomers, additives
Titanium dioxide (pigment)	10%-20%	Key pigment, partly import-dependent
Other pigments	5%-10%	Iron oxides, organic/inorganic pigments
Fillers & extenders	5%-8%	Calcium carbonate, talc, kaolin, silica
Additives & specialty chemicals	3%-7%	Dispersing agents, thickeners, biocides, etc.
Packaging materials	7%-10%	Plastic pails, metal containers, labels, cartons
Other (miscellaneous)	2%-5%	Includes water, minor chemicals, etc.

Source: Industry, Crisil Intelligence

Raw materials account for ~60%-70% of total production costs, with crude oil-linked derivatives contributing 50%–55%, and titanium dioxide, a key pigment, accounting for 10%-20% of input costs.¹⁴

In addition, a significant portion of raw materials is import-dependent (estimated 40%-50%), exposing the industry to currency fluctuations (USD/INR) alongside commodity price movements.

During recent periods, the industry has witnessed margin pressures due to elevated crude oil prices and input cost volatility, driven by global supply disruptions and geopolitical factors. Despite some pricing actions by manufacturers, the ability to fully pass on cost increases has been constrained due to:

- Increased competitive intensity, including entry of new players
- Focus on maintaining volume growth and market share
- Sensitivity of demand, particularly in the mass decorative segment

As a result, at times, paint companies have absorbed cost increases, leading to short-term margin compression despite stable or growing volumes.

Impact of global trade policies on India's paint raw material costs

Global trade policies significantly impact raw material costs for India's paint industry, which relies heavily on imports for key inputs such as titanium dioxide (TiO₂), petrochemical resins and solvents. These costs make up ~60%-70% of production expenses, squeezing margins for companies like Asian Paints Limited and Berger Paints India Limited.

India imports ~70% of its TiO₂ (a key white pigment) from China, along with 90% of crude oil derivatives for solvents and monomers. Petrochemicals from crude oil volatility now push costs higher, with Brent crude near \$82-100 a barrel amid the Middle East conflict.¹⁵ TiO₂ and pigments face anti-dumping duties, with India imposing \$460-681 per ton in May 2025 for five years.

Indian's protective measures such as anti-dumping duties on Chinese TiO₂ and epoxy resins (up to five years from 2025) increase import prices to shield local producers. Global factors amplify this, as tariffs by the US under President Donald

¹⁴ Indian paint industry to grow 9-10% in fiscal 2024, Indian Chemical News

¹⁵ What Trump's tariffs mean for India, The Daily Brief by Zerodha

Trump (including 34% on TiO₂ and 25%, during May 2025, on resins from China disrupt supply chains), raising global prices for India's imports. Crude oil surges from trade tensions, sanctions by the European Union (EU) on Russian oil derivatives (effective 2026) and geopolitical uncertainty increase petrochemical costs 40%-60% of paint inputs.

Paint makers plan to increase prices 2%-5% in 2026 to offset these, but weaker demand shifts buyers to cheaper products, pressuring profits.¹⁶ India remains a net importer (\$219 million vs \$61 million exports in the first half of fiscal 2026), so policies such as the EU's Carbon Border Adjustment Mechanism (CBAM; carbon tax on exports) indirectly strain finances by hitting related sectors.¹⁷

Mitigation strategies adopted by industry players

Paint manufacturers employ multiple strategies to manage input cost volatility:

- Gradual price increases (typically around 2%-5%) are used to partially pass on cost inflation while preserving competitiveness.
- Product mix optimisation and premiumisation remain important levers, as companies increasingly focus on higher-margin and value-added offerings.
- Backward integration, particularly in resins and intermediates, is another important strategy to improve control over raw material sourcing, quality, costs, and to strengthen supply chain resilience.
- Strategic sourcing and supplier diversification help reduce dependence on any single geography or supplier base, thereby lowering vulnerability to trade disruptions and raw material shortages.
- Operational efficiencies and cost optimisation initiatives continue to be a major focus area across the sector. Leading players such as Asian Paints and Berger Paints have recently been reported to be revamping cost structures to protect margins amid weaker demand and intensifying competition.

However, the extent of pass-through remains dependent on competitive dynamics and demand conditions, which may delay margin recovery.

The Indian paint industry remains structurally exposed to commodity price fluctuations, particularly crude oil and related derivatives. While long-term demand drivers remain strong, margin performance is cyclical and closely linked to input cost trends and pricing power. In a competitive environment, the ability of players to manage costs, optimise product mix, and exercise pricing discipline will be critical in sustaining profitability.

Regulatory framework

The Indian paint industry operates under a comprehensive regulatory framework governed by multiple authorities, including the Ministry of Environment, Forest and Climate Change, the Central Pollution Control Board and the Bureau of Indian Standards (BIS). The regulatory environment focuses on environmental protection, product safety, quality standardisation and compliance across manufacturing and imports, with increasing emphasis on sustainability and reduction of hazardous substances.

1. Environmental regulations

Paint manufacturing is classified under pollution-intensive chemical industries and is subject to environmental norms under the Environment (Protection) Act, 1986, and related rules. Key environmental regulations include:

- Volatile organic compound (VOC) limits for paints, with caps such as <100 g/L for decorative paints and higher limits for industrial coatings, aimed at reducing air pollution

¹⁶ Paints makers fear thinner profits on crude oil spike, The Economic Times

¹⁷ India's \$9.6 billion paint industry heads for \$16.5 billion but fiscal 2025 exposes margin stress: Rubix Data Sciences, Indian Chemical News

- Restrictions on lead content, with limits of up to 90 parts per million (ppm) in household and decorative paints, as prescribed under BIS standards
- Mandatory compliance with hazardous waste management rules, including safe disposal of paint sludge and chemical waste through authorised facilities
- Effluent discharge standards, including limits on pH levels, suspended solids and heavy metals
- Air emission standards, including particulate matter limits for manufacturing units

The regulatory push toward low-VOC and water-based coatings is driving increased adoption of environmentally compliant products, though it may lead to incremental compliance costs, particularly for smaller manufacturers.

2. Safety and quality standards

The paint industry is subject to product quality and safety standards prescribed by the BIS, which ensures consistency, safety, and performance of paint products. Key requirements include:¹⁸

- Mandatory compliance with Indian Standards (or IS specifications) for multiple categories of paints (for instance, decorative paints, enamels and industrial coatings)
- Requirement for Indian Standards Institutes (ISI) certification for specified products
- Limits on hazardous substances such as lead content
- Product labelling requirements, including batch number, manufacturing date, shelf life and safety warnings

In addition, leading manufacturers typically adhere to international standards such as ISO 9001 (quality management) and ISO 14001 (environmental management), which, while not mandatory, are widely adopted across the organised sector.

3. Compliance requirements for manufacturers and importers

Paint manufacturers and importers are required to comply with multiple regulatory approvals and certifications across environmental, safety and operational aspects.

Key compliance requirements include:

- Consent to establish and consent to operate from state pollution control boards
- Factory licence under the Factories Act, 1948
- BIS certification/ISI mark for applicable products
- Compliance with hazardous chemicals and waste management regulations
- Registration under the GST framework

For importers:

- Compliance with BIS certification schemes (including the Compulsory Registration Scheme, where applicable)
- Appointment of an authorised Indian representative for foreign manufacturers
- Adherence to labelling and safety requirements according to Indian regulations

Non-compliance may result in financial penalties, suspension of operations, or cancellation of licences, highlighting the importance of regulatory adherence in the industry.

¹⁸BIS Establishes 10 Indian Standards for Paints, Chemicals and Radioactivity Monitoring, Legality Simplified

The regulatory framework governing the Indian paint industry is increasingly stringent and aligned with global environmental and safety standards. While compliance requirements may lead to higher operational and capital costs, particularly for smaller players, they also promote product quality, sustainability and formalisation of the industry, thereby benefiting organised players and supporting long-term sectoral growth.

Overview of the competitive scenario in the paint industry

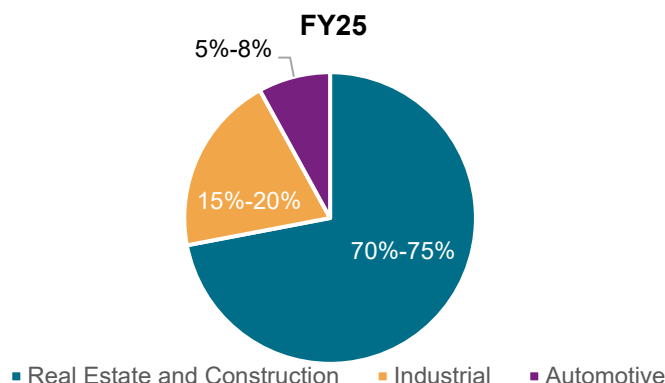
Paint industry structure

The Indian paint industry operates through a multi-layered value chain, comprising raw material suppliers, paint manufacturers, distribution networks and end-users. The industry is largely dominated by organised players with integrated operations, strong sourcing capabilities and extensive distribution networks, enabling efficient scale and market penetration.

1. **Raw material suppliers:** Raw materials constitute a significant portion of the cost structure of paint manufacturers, accounting for approximately 60%-70% of total production costs. Key raw materials include resins and binders, pigments, solvents, additives, extenders and packaging materials. Resins and binders, which are largely derived from petrochemical products, typically account for approximately 30%-35% of raw material cost, while pigments, including titanium dioxide, account for around 20%-25%. Solvents, additives and other chemicals account for the balance. A substantial portion of raw materials, particularly titanium dioxide, specialty additives and crude-linked derivatives, is imported or linked to global commodity prices, exposing the industry to volatility in crude oil prices, global chemical prices, freight rates and currency movements.

Despite these cost pressures, the Indian paint industry has historically demonstrated strong pricing power, with organised players able to pass on input price increases to consumers through periodic price hikes. This ability is supported by strong brands, wide dealer networks, premiumisation, product differentiation and the relatively low share of paint cost in overall home construction or renovation expenditure. Leading manufacturers further mitigate raw material volatility through backward integration, diversified sourcing, long-term supplier arrangements and scale-based procurement. Large players such as Asian Paints, Berger Paints and Kansai Nerolac manufacture select key raw materials such as resins, emulsions and binders in-house to varying degrees, while continuing to source titanium dioxide, pigments, solvents and specialty chemicals from domestic and global suppliers.
2. **Paint manufacturers:** The manufacturing segment is dominated by organised players, with ~50 major players operating across decorative and industrial segments, and the top 4-5 players accounting for ~90% share of the market catered by organised players. Manufacturing is characterised by large-scale production facilities across India, increasing investments in capacity expansion and automation, a focus on water-based and environmentally compliant formulations and product segmentation across decorative and industrial. The industry is witnessing ongoing capacity additions by both incumbents and new entrants, aimed at meeting future demand and improving geographic reach.
3. **Distribution and retail network:** The paint industry has a highly extensive and fragmented distribution network, which is a key competitive differentiator. Key features of the industry include over 100-200 thousand dealers and retailers across India, deployment of tinting machines enabling on-demand colour mixing, strong dependence on painters and contractors as influencers in purchase decisions, distribution penetration across urban, semi-urban, and rural markets and the distribution model is typically working capital-intensive, with credit periods ranging between 45 and 60 days, and involves dealer margins and painter incentives to drive product offtake.
4. **End users:** Demand for paints is derived from multiple end-use sectors, with construction and real estate accounting for 70%-75% of the demand through residential housing, commercial buildings and infrastructure, and being the primary drivers of demand for decorative paints. Industrial accounts for 15%-20% of the demand through machinery, infrastructure, energy and marine applications, while automotive accounts for 5%-8% of the demand through OEM coatings and refinish demand. The demand is also supported by repainting cycles (typically ~3-4 years), particularly in urban areas, which provides recurring consumption across end-user segments.

Figure 20: Demand based on End use industry



Source: Industry, Crisil Intelligence

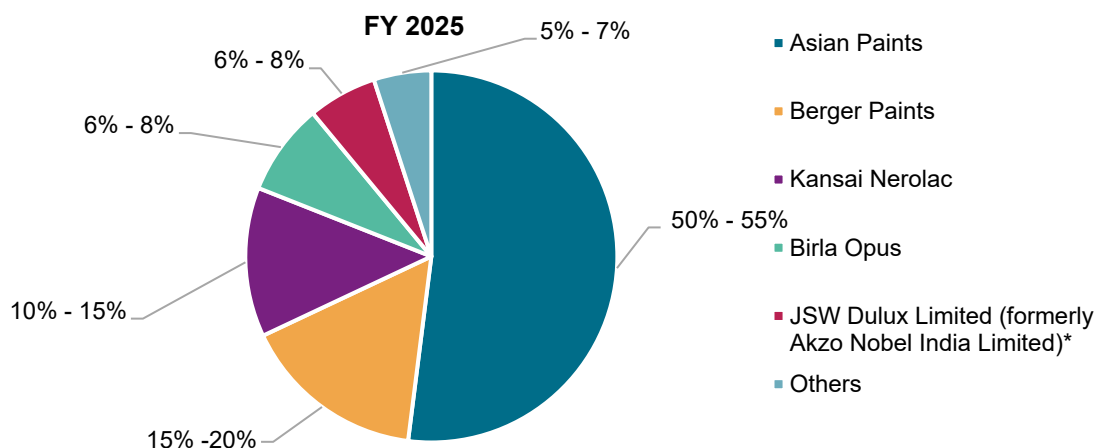
The Indian paint industry structure is characterised by high integration, strong distribution networks and diversified end-user demand, with organised players dominating across the value chain. While raw material dependency introduces cost volatility, the industry benefits from scalable manufacturing, deep market penetration and stable demand from construction and infrastructure sectors, supporting long-term growth.

The Indian paint industry is characterised by an oligopolistic structure, with a high degree of concentration among leading organised players. The top players dominate the market through strong brand equity, extensive distribution networks, product innovation and scale advantages, while the recent entry of new players has intensified competition and pricing dynamics.

1. Market share of major players

The industry is led by a few large, organised players, with the top 4-5 companies accounting for ~90% of paint market catered by organised players.

Figure 21: Market share split of Major Players (FY25)



Note: *Akzo Nobel India Limited has been officially renamed JSW Dulux Limited after JSW Paints Limited acquired a majority stake, Others include other organised players such as Technopaints and Chemicals Limited, Indigo Paints, Nippon Paint (India), Shalimar Paints, Sirca Paints, etc. along with other regional and specialised paint manufacturers

Source: Industry, Crisil Intelligence

Asian Paints maintains a dominant position in the decorative segment, while Kansai Nerolac Paints has a stronger presence in industrial and automotive coatings. The market structure reflects high-entry barriers and strong incumbency advantages.

2. Entry barriers in the paint industry

The Indian paint industry is characterised by high-entry barriers, which have historically limited the entry and scalability of new players.

Key barriers:

- Extensive distribution network requirements, including large dealer bases and painter ecosystems
- High brand loyalty, particularly among contractors and retail consumers
- Significant capital investment is required for manufacturing capacity, logistics and tinting infrastructure
- Technological capabilities and product development, especially for premium and industrial coatings
- Long gestation period (typically 3-5 years) to achieve meaningful market share
- These factors have helped established players to maintain strong market positions over time.

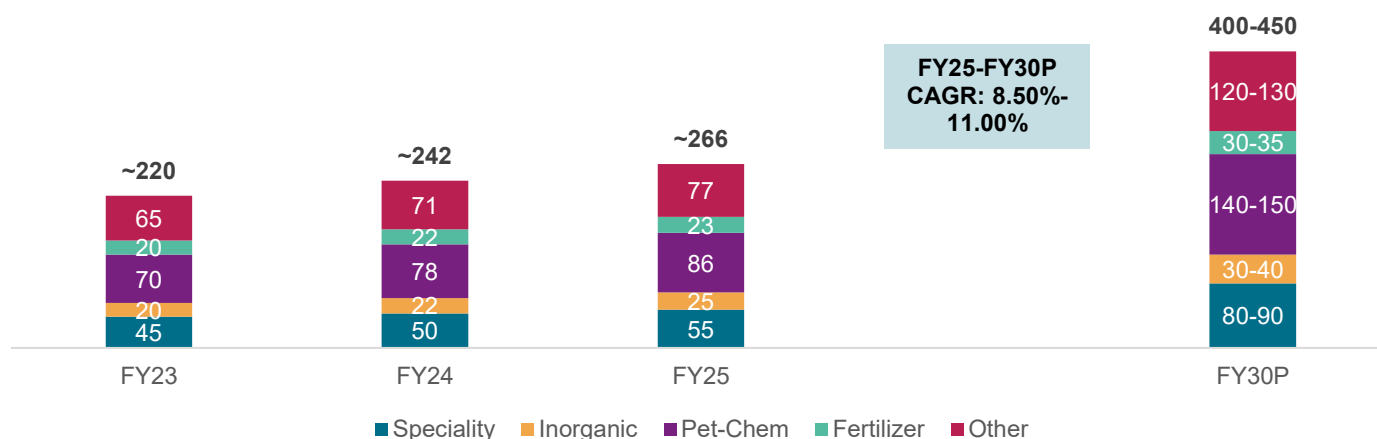
Overall, the Indian paint industry exhibits a concentrated yet increasingly competitive landscape, with strong incumbents maintaining leadership positions, while new entrants are moving beyond initial disruption to consolidating their positions. High entry barriers, coupled with distribution and branding advantages, are expected to support continued dominance of organised players. However, pricing pressures and margin moderation may persist in the near term due to intensified competition.

Overview of Chemicals Industry in India:

India is the 6th largest producer of chemicals in the world and 3rd in Asia. As of August 2025, the chemicals industry in India covers more than 80,000 commercial products. India accounted for 2.5% of the world's global chemical sales, exporting to more than 175 countries.

Figure 22: Indian Chemical Industry Market Size:

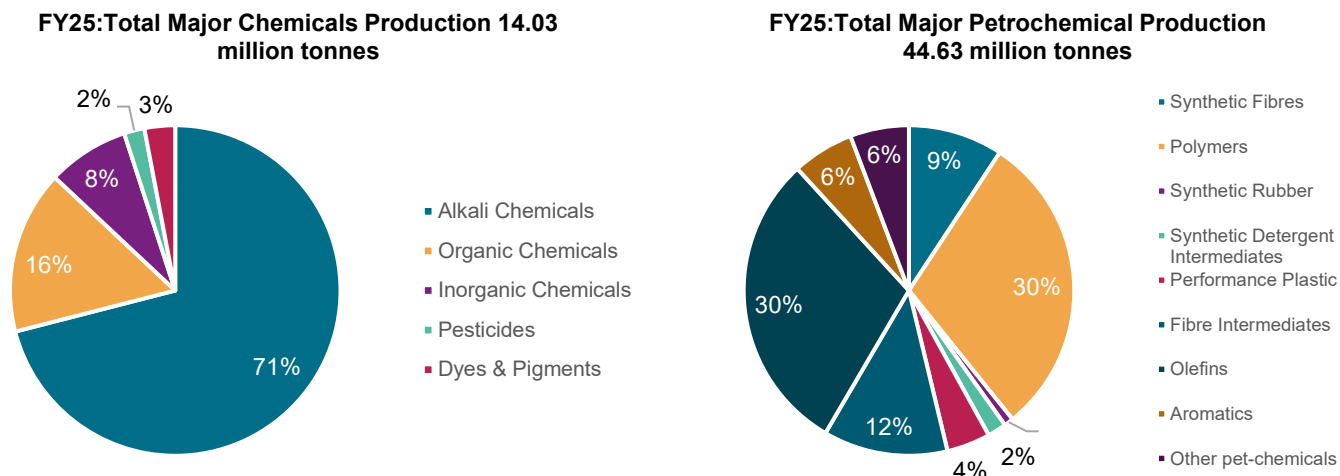
(USD Billion)



Source: NITI Aayog, Crisil Intelligence

The industry stood at approximately USD 266 billion in fiscal 2025 and is expected to reach a value of USD 400-450 billion in fiscal 2030. The market is driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment. The growth is attributed to rising domestic demand, government initiatives, and technological advancements. Notably, factors such as rising consumption, changing consumer preferences, and strategic shifts in supply chains will play crucial roles in shaping the future of this sector.

Figure 23: Segmentation by type:



Source: Department of Chemicals and petrochemicals, Crisil Intelligence

In Fiscal 2025, The installed capacity of chemicals and petrochemicals was 69.94 million tonnes with an overall capacity utilization rate of 83.80%.

Alkali Chemicals remained the dominant segment among major chemical groups, accounting for 71% of total chemical production. Organic Chemicals represented the second-largest share at 16%, followed by Inorganic Chemicals at 8%. Dyes & Pigments contributed 3%, while Pesticides accounted for the remaining 2%.

Within the petrochemicals segment, Polymers and Olefins were the largest contributors, each comprising 30% of total production in fiscal 2025. Fiber Intermediates accounted for 12%, followed by Synthetic Yarn at 9%. Aromatics and Other Petro-Based Chemicals each contributed 6%, while Performance Plastics made up 4%. Synthetic Detergent Intermediates and Synthetic Rubber represented smaller shares of 2% and 1%, respectively.

From a paints industry perspective, the data indicates that India's chemical and petrochemical production base remains anchored in categories that are important to paint manufacturing, particularly Organic Chemicals and petrochemical products such as Polymers and Olefins, which support the supply of resins, binders, solvents, and other crude-derived inputs. While Dyes & Pigments account for a relatively small share of total chemical production, their importance to the paints sector is significant given their critical role in colour, opacity, and finish.

Segmentation by End Use Industries:

Paints and Coatings Additives

The paints and coatings additives segment include insulating paint additives, binders such as emulsion polymers, polymer emulsions, additives used in powder coating raw materials, catalysts, wetting agents, levellers, clarifiers, coupling agents, deflocculants, thinners, thickeners, rheology modifiers, dispersing agents, opaque polymers, anti-caking agents, defoamers, and other associated chemicals.

Growth Drivers:

- Increase in per capita paint consumption in India
- Strong growth in the housing sector
- Government support schemes promoting low-cost housing
- Premiumization in decorative paints, including demand for specialized finishes, aesthetics, and functional coatings, is supporting incremental additive demand

- Robust growth in the automotive industry

Construction Chemicals

This segment covers products such as concrete admixtures including plasticizers, accelerators, and retarders; waterproofing chemicals including acrylics, bitumen, PVC, silicon, SBR, and related materials; cementitious waterproofing products; damp-proof coatings; elastomeric coatings; protective coatings such as epoxy, PUR, PE, alkyl, and acrylic systems; concrete repair mortars based on cement and plaster; plasters; and base coats.

Growth Drivers:

- Expected expansion in the Indian construction industry over the next five years, led by housing and infrastructure development
- Increasing adoption of global construction standards in India, supporting market growth

Agrochemicals and Fertilizers

This segment comprises a broad range of agrochemical products, including organic fertilizers, liming and acidifying agents designed to modify soil pH, soil conditioners, insecticides, pesticides, fungicides, herbicides, and crop growth regulators. Fertilizers in this category are primarily inorganic and include nitrogen-based compounds such as urea and ammonium nitrate, along with phosphorous- and potassium-based compounds.

Growth Drivers:

- Rising awareness levels among farmers
- Improvement in rural incomes supported by various government initiatives
- Increasing need to enhance agricultural productivity at a pace faster than demand growth in order to meet food sufficiency goals
- Continued policy support for fertilizer availability and affordability, along with higher domestic urea production capacity
- Direct Benefit Transfer (DBT) mechanisms enabling direct transfer of subsidies and benefits to citizens below the poverty line

Dyes and Pigments

The dyes and pigments segment includes a wide variety of products such as reactive dyes, disperse dyes, acid direct dyes, azo dyes, sulphur dyes, solvent dyes, vat dyes, food colorants, organic pigments, optical whitening agents, inorganic pigments, and pigment emulsions, among others.

Growth Drivers:

- European pigment manufacturers are increasingly using local facilities for high-performance colorants targeted at niche and new markets, while sourcing non-differentiated dyes and pigments from low-cost manufacturing bases in China and India

Water Treatment Chemicals

This segment includes pH neutralizers, algaecides, antifoaming agents including insoluble oils, silicones, alcohols, stearates, and glycols; biocides; boiler water treatment chemicals; coagulants and flocculants; corrosion inhibitors; disinfectants; defoamers; and solution polymers.

Growth Drivers:

- Rapid urbanization is increasing demand for water purification and wastewater treatment solutions
- The 'Namami Gange Programme', an integrated conservation mission approved by the Union Government in June 2014 as a flagship programme with a budget allocation of INR 20,000 Crores, is aimed at pollution abatement, conservation, and rejuvenation of the National River Ganga

Paint products industry's threats and challenges

Key challenges are as follows:

- **Raw material cost volatility:** Paint manufacturing is exposed to fluctuations in crude-oil-linked and other key inputs such as resins, solvents, pigments, additives and titanium dioxide. Sharp input-cost movements can put pressure on margins, particularly where price increases cannot be passed through immediately.
- **Shift towards sustainable coatings:** Increasing environmental requirements and customer preference for water-based, lower-VOC and more sustainable coatings require manufacturers to continuously upgrade formulations, technology and manufacturing processes. This can increase R&D and compliance costs.
- **Need for continuous product innovation and premiumisation:** Customers increasingly seek coatings offering better durability, weather resistance, corrosion protection and lifecycle performance. Players therefore need to invest continuously in product development, technology and application capabilities to remain competitive.
- **Demand linked to construction and industrial activity:** Paint demand is closely linked to construction, renovation, infrastructure, industrial production and maintenance activity. Changes in interest rates, financing conditions, real-estate activity or corporate capex can affect the timing and pace of demand.

Key threats are as follows:

- **Intensifying competition and pricing pressure:** The industry includes large established paint companies as well as newer entrants and integrated painting-service propositions. Greater competition can increase promotional intensity, pressure selling prices and raise customer-acquisition costs.
- **Commodity and supply-chain disruptions:** Geopolitical events, disruptions in global supply chains, freight-cost increases, foreign-exchange movements or shortages of key inputs can affect the availability and landed cost of raw materials.
- **Regulatory and environmental tightening:** Stricter requirements relating to emissions, VOCs, hazardous substances, waste management and manufacturing processes could increase compliance costs and require changes in product formulations or plant operations.
- **Competition from alternate products:** The paint industry faces limited but growing competition from alternative wall-finishing solutions, including wallpapers, tiles, laminates and modular panels, particularly in the premium residential and commercial segments. While these alternatives offer advantages such as aesthetic variety, faster installation and durability, their adoption remains relatively limited due to:
 - Higher costs compared with paints
 - Limited flexibility and ease of application
 - Lower penetration in mass and rural markets

As a result, paints continue to retain a dominant share (>90%) of wall-finishing applications, with organised players also expanding into adjacent categories such as wall coverings and textures.

- **New entrants and pricing pressure:** In recent years, the industry has witnessed the entry of large corporate players such as: Grasim Industries (Birla Opus) and JSW Paints Limited. These entrants have announced significant capital investments and are focused on rapidly expanding manufacturing capacity and distribution networks. For instance, Grasim has established multiple manufacturing plants and is targeting large-scale market penetration through aggressive distribution expansion. The entry of new players has led to:
 - Increased competitive intensity across price segments
 - Higher dealer incentives and distribution-led competition
 - Moderation in realisations (pricing pressure) in the near term
 - Margin pressures for incumbents, despite steady volume growth

However, given the structural advantages of established players, including brand strength and distribution depth, the industry is expected to remain competitive but relatively consolidated over the medium term.

Crisil

Overview of the paint application industry in India

Introduction

The level of formalisation differs materially across the paint value chain. While the organised segment accounts for approximately 70%-75% of the paint products market, organised participants account for only approximately 20% of the paint application market. The execution layer therefore remains substantially fragmented, with individual painters and local contractor teams accounting for a significant proportion of the market. This gap between the product and application segments creates an opportunity for organised providers capable of combining paint supply with application, project management and quality control.

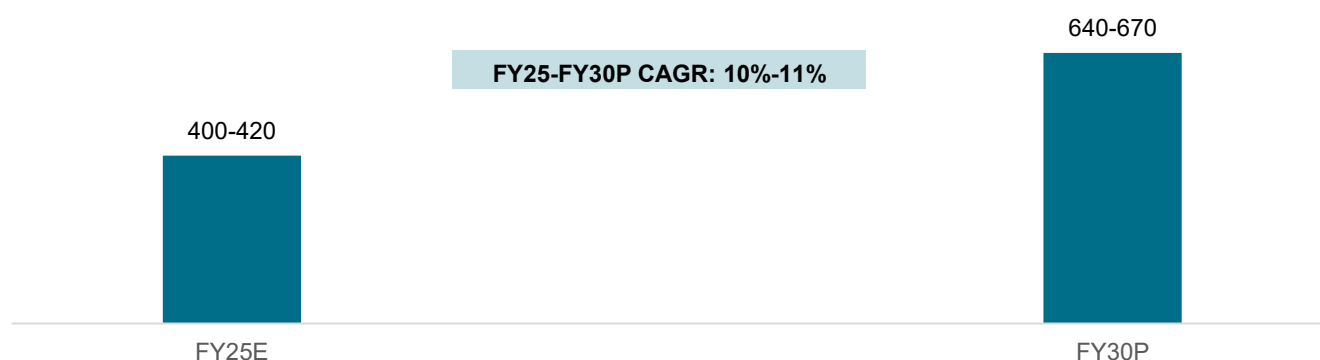
The paint application services industry in India represents a critical execution layer within the coatings value chain, directly influencing finish quality, durability, and lifecycle performance of assets. Traditionally characterized by a fragmented contractor base and labour-intensive practices, the segment is witnessing a gradual shift toward more organized, process-driven service delivery models, driven by rising expectations around quality, safety, and project execution.

The industry comprises contractors providing surface preparation, coating, and finishing services across residential, commercial, industrial, and infrastructure segments. Demand is closely linked to new construction activity as well as repainting and maintenance cycles, with the latter contributing a steady base of recurring demand, particularly in the decorative segment. Increasingly, large real estate developers, institutional asset owners, and infrastructure agencies are outsourcing application services to specialized contractors or integrated solution providers, reflecting the growing importance of execution quality and adherence to defined timelines and specifications.

This trend is supporting the emergence of organized players offering end-to-end solutions, including product selection, surface diagnostics, mechanized application, and post-application warranties. The adoption of standardized processes, trained applicator networks, and digital estimation tools is further driving formalization, particularly in large or technically complex projects.

Figure 24: Paint Application Industry Market size (Value-wise, FY25-30P)

(Rs. Billion)



E- Estimated, P- projected

Source: Crisil Intelligence, industry

The Indian paint application industry reached an estimated market size of Rs 400-420 billion in fiscal 2025, driven by strong construction activity, increasing repainting demand, and rising preference for organized painting services. Industry formalization, supported by trained applicator networks, digital estimation tools, and growing consumer awareness, has further accelerated market growth.

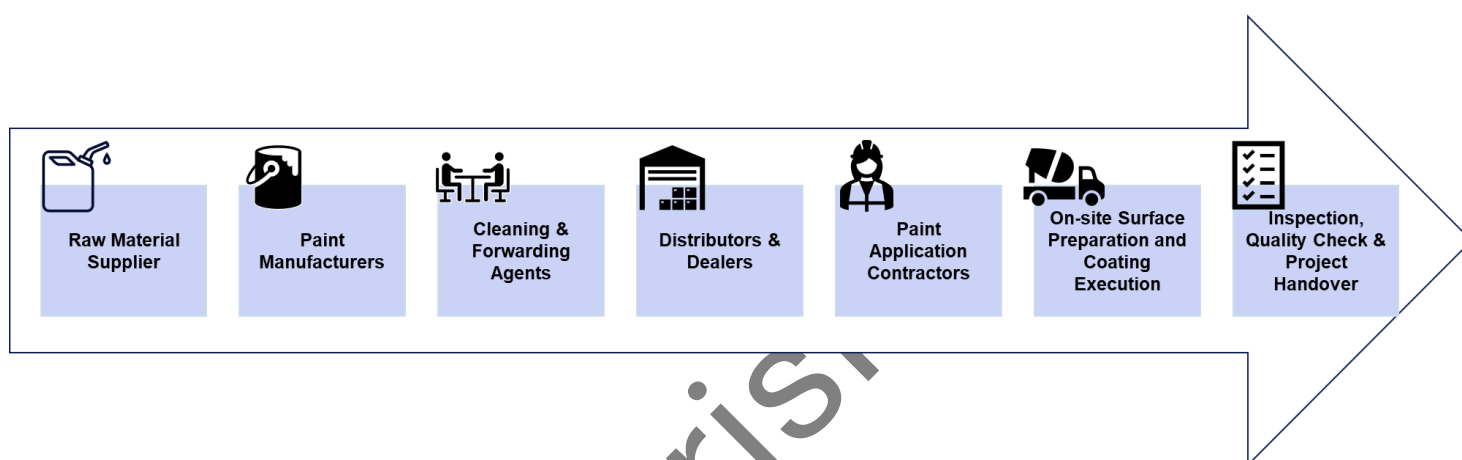
Going forward, the industry is expected to grow at a CAGR of 10%-11% between fiscals 2025 and 2030, reaching Rs 640-670 billion. Growth will be supported by sustained demand from residential, commercial, and infrastructure projects,

increasing urbanization, premiumization, and continued shift towards organized service providers. Established players are expected to benefit from strong execution capabilities, skilled applicator networks, and technology-enabled service delivery.

Paint application services represent a faster-growing and relatively less formalised value pool, supported by increasing outsourcing, industry formalisation and rising institutional demand. As coatings evolve from a standalone product purchase toward a performance-driven solution, professional application is expected to play a more important role in delivering quality, durability and consistent outcomes, thereby supporting greater service-led value creation across the industry.

Paint Application industry value chain

Figure 25: Flow of Paint Application Value Chain



Source: Industry, Crisil Intelligence

Raw material suppliers provide key inputs such as resins, pigments, solvents, additives, and fillers used in paint production. Many of these materials are derived from petrochemical sources, and price fluctuations at this stage influence manufacturing costs.

Paint manufacturers process these inputs through formulation, blending, dispersion, and packaging to produce decorative and industrial coatings. Products are developed to meet specified performance standards, including durability, finish, corrosion resistance, or waterproofing capability.

Clearing and forwarding agents or depots receive finished goods from manufacturing facilities and manage storage and regional redistribution. This stage supports inventory management and timely supply to downstream channels.

Distributors, dealers, or direct project sales teams facilitate market access. In residential repainting, procurement commonly occurs through dealer networks. In commercial, industrial, or infrastructure projects, supply may be made directly to developers, EPC contractors, or paint application companies under contractual arrangements.

Paint application contractors procure materials and undertake execution responsibilities. Scope typically includes surface preparation, crack filling, primer application, intermediate coats, and finish coats, along with specialized coatings or linings where required. Labour deployment, equipment usage, safety compliance, and supervision are central to this stage.

On-site execution is followed by inspection and quality checks to verify compliance with technical specifications, coverage standards, and finish requirements. Upon satisfactory completion, the project is handed over to the client in accordance with contractual terms.

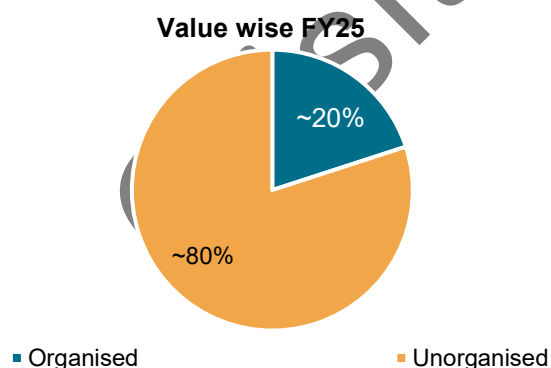
Organised vs unorganised segment

The principal structural opportunity within the paint application industry arises from the limited level of organisation in project execution. Approximately 80% of the paint application market by value remains unorganised, compared with a substantially higher organised share in the decorative paint products market. The unorganised application segment is characterised by individually negotiated engagements, small local contractor teams and varying levels of process standardisation, documentation, supervision and accountability.

As project sizes increase and customer requirements become more structured, organised execution models are becoming increasingly relevant. Large residential developments, commercial properties, institutions, industrial facilities and infrastructure projects may require coordinated material planning, trained workforce deployment, site-level supervision, adherence to project schedules and documented quality control. Integrated paint solutions providers address these requirements by combining product and application capabilities within a coordinated project framework.

The paint application industry in India is largely fragmented, with a substantial portion operating within the unincorporated construction sector and a smaller but expanding organized segment comprising structured contractors and manufacturer-backed service platforms. The organized paint application segment is gaining importance as institutional, commercial, and large residential customers increasingly shift toward vendors that can provide integrated turnkey solutions spanning site assessment, surface preparation, product advisory, mechanized application, supervision, and post-service support. This marks a gradual transition from a labour-led, fragmented service model toward a more structured and accountable execution ecosystem.

Figure 26: Share of organised vs unorganised segment in the paint application industry (Value wise, FY25)



Source: Industry, Crisil Intelligence

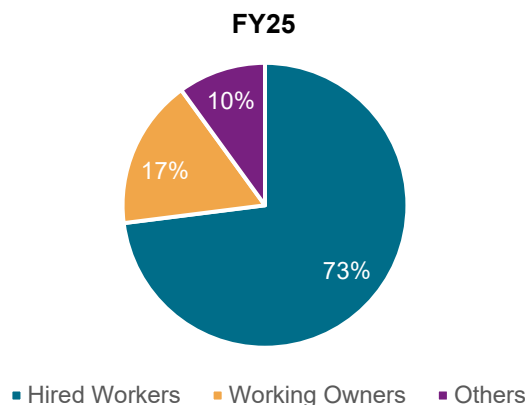
Unorganized segment

The painting services market in India is predominantly unorganized, with this segment accounting for approximately 80% of overall market activity. Painting work at the ground level is largely undertaken by unincorporated establishments, including individual contractors, proprietorships, small partnerships, and local painter teams. Government data on construction-related activities indicates that a large share of such establishments operate as proprietorships. These units are typically micro-scale, engaging small teams of workers, often averaging around five workers per establishment.

The unorganized segment mainly serves residential repainting, small commercial premises, localized repair work, and maintenance projects. Engagements are usually informal and project-based, with rates negotiated directly between property owners, landlords, small developers, and local contractors. Capital investment is limited to basic tools, consumables, and labour deployment, resulting in low entry barriers and a highly fragmented competitive landscape.

The workforce composition reflects a hired-labour model, with about 73% classified as hired workers and approximately 17% comprising working owners.

Figure 27: Workforce Structure in Unorganised Segment



Source: Industry, Crisil Intelligence

Such teams commonly execute residential repainting, small commercial premises, and localized maintenance work. Engagement is usually informal and project-based, with rates negotiated directly with property owners or small developers. Capital investment is limited to basic tools and labour deployment, resulting in low entry barriers. Variability in skill levels, safety practices, and documentation standards is characteristic of this segment.

Organized segment

The organized segment accounts for approximately 20% of the painting services market. This segment includes manufacturer-backed service verticals, digital home-service platforms, formal paint application companies, and organized property-service providers operating under structured service models. Key players in this segment include Asian Paints and Urban Company, along with other organized participants such as NoBroker, Berger, Kansai Nerolac, Technopaints and Chemicals Limited and regional formal service providers.

Organized players typically undertake larger and higher-value projects, including premium homes, residential complexes, gated communities, commercial buildings, institutional properties, industrial facilities, and select infrastructure-linked projects. Engagement is generally through formal contracts, defined scopes of work, item-rate or lump-sum pricing, technical specifications, safety requirements, trained applicators, supervisory oversight, and customer support mechanisms.

Urban markets demonstrate higher intensity of expenditure on finishing works, which supports greater adoption of organized painting services in metropolitan and tier I cities. Data indicates that in urban establishments, paints, varnishes, and lacquers account for approximately 12.80% of total material costs, compared to about 6.50% in rural establishments. For households, the corresponding shares are approximately 8.20% in urban areas and 4.40% in rural areas. This disparity contributes to greater visibility of organized players in urban markets.

Skill availability remains a structural constraint across the painting application market. Limited formal vocational training has historically characterized the industry. In response, manufacturers such as Berger and Asian Paints have undertaken large-scale painter training initiatives to improve application standards, product knowledge, safety awareness, and finish quality. These initiatives also help integrate painters into more structured service ecosystems.

Technological adoption further distinguishes organized platforms from informal operators. Branded services such as those offered by Asian Paints and Berger deploy mechanized sanding, spraying equipment, moisture assessment tools, digital estimation systems, and structured site supervision to improve consistency and reduce project timelines. Digital platforms such as Urban Company and NoBroker also bring greater transparency in pricing, booking, service tracking, and customer support.

Overall, while paint manufacturing is concentrated among established corporate entities, the application layer continues to be predominantly unorganized. Approximately 80% of painting services are handled by informal contractors and local painter teams, while the organized segment, estimated at around 20%, is gradually expanding through branded services, platform-led models, skill development, formal contracting, and technology-enabled execution.

Labour intensity & scalability

The paint application industry in India comprises a fragmented unorganized base, organized independent applicators, and manufacturer-backed service platforms alongside a clear migration of labour from standalone painters to organized contractors and manufacturer-backed service platforms. The shift in labour deployment from standalone painters toward organized contractors and manufacturer-backed service platforms, driven by increasing demand for reliability, quality assurance, and end-to-end project management. This transition reflects a gradual formalization of the industry, particularly in urban and premium segments.

For a third-party paint application company, competition and positioning must be assessed across all three categories.

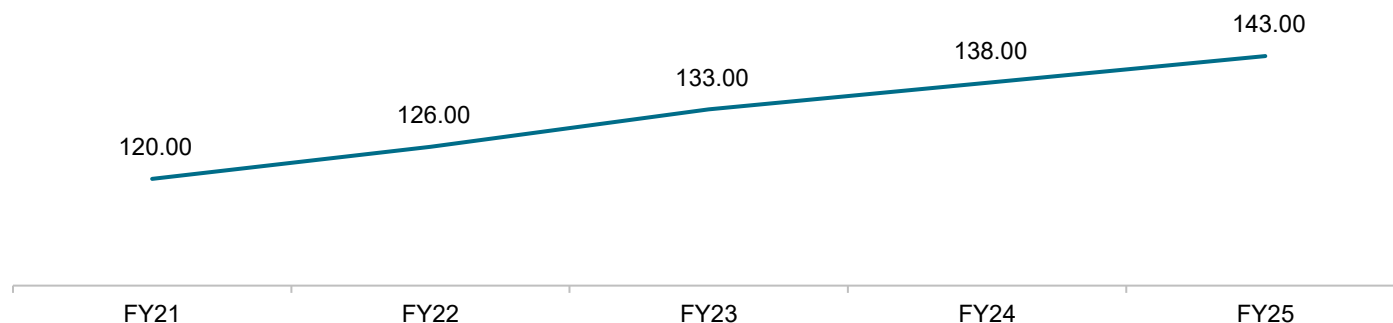
- **Unorganized segment:** A significant portion of residential repainting and small commercial work is carried out by individual painters or small local contractor teams. For example, repainting of standalone houses, small retail outlets, or low-rise buildings is typically awarded directly by property owners without formal tendering. Pricing is negotiated per square foot or per project. Capital requirements are limited to tools such as rollers, brushes, spray machines, ladders, and basic safety gear. While this segment offers flexibility and low overheads, quality standards, safety compliance, and execution timelines may vary based on individual capability. The segment remains widely prevalent across tier II and tier III cities.
- **Organized independent applicators:** Independent organized contractors execute structured assignments such as painting of residential townships, commercial office complexes, hospitals, manufacturing facilities, warehouses, and infrastructure assets. Examples include application of epoxy flooring systems in factories, anti-corrosion coatings on structural steel, waterproofing of basements, or protective linings in water treatment plants. Engagement is typically through lump-sum or item-rate contracts awarded by developers, EPC contractors, or facility owners. Prequalification criteria, safety certifications, past project experience, and financial capacity influence contract awards. Working capital requirements arise due to milestone-based billing and retention money provisions.
- **Manufacturer-led service platforms:** Certain paint manufacturers have introduced branded painting services that integrate product supply with managed application. For instance, Asian Paints operates Beautiful Homes Painting Service, Berger Paints offers Express Painting, Kansai Nerolac provides organized painting services in select markets, and Birla Opus has launched PaintCraft. These platforms generally focus on residential and small commercial projects in urban areas, offering site inspection, digital colour consultation, trained applicators, and defined completion timelines. In some cases, service revenue is disclosed separately in financial statements under sale of services.

Rising painting cost

Painting costs have increased in recent years due to higher material prices, wage escalation, and changes in product and service mix. Paint manufacturers periodically revise prices to reflect movements in input costs such as resins, solvents, additives, and packaging materials, many of which are linked to petrochemical derivatives. For example, leading manufacturers have announced successive price increases in response to raw material cost pressures. Such revisions directly affect overall project-level painting expenditure, particularly where material prices are not contractually locked in.

Construction expenditure data indicates that paints and surface finishes account for a higher proportion of material cost in urban construction compared to rural construction. Urban residential and commercial projects typically use acrylic emulsions, enamel paints, textured finishes, waterproofing systems, and protective coatings rather than basic distemper or cement paint. This shift toward higher-grade finishes increases the overall cost of painting.

Figure 28: All India Consumer Price Index Number for Industrial Worker



Source: Labour Bureau, Ministry of Labour, Government of India, Reserve Bank of India, Crisil Intelligence

Labour cost escalation has become an important contributor to higher painting expenditure, particularly in urban markets where skilled and semi-skilled painter availability is tighter. Wage expectations for applicators have increased in line with broader cost-of-living pressures, as reflected in the Consumer Price Index for Industrial Workers, which rose from 120.00 in FY21 to 143.00 in FY25, an increase of around 19% over the period. While CPI does not directly measure painter wages, it is a relevant proxy for inflationary pressure on urban labour costs, especially for daily-wage and contract workers.

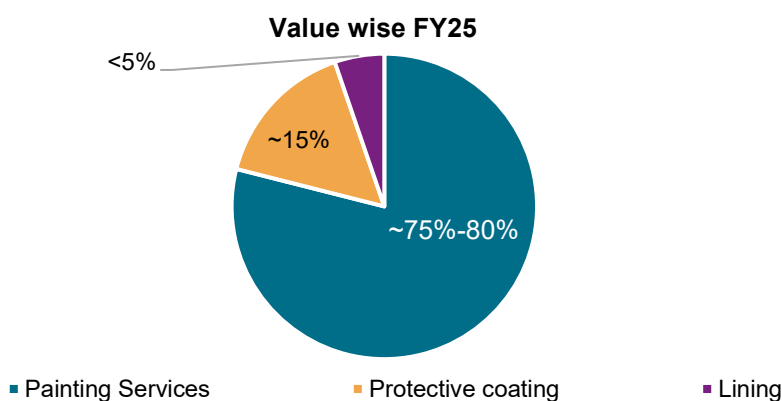
The impact is more pronounced in premium and technically demanding painting segments, where projects require trained applicators rather than general labour. High-rise buildings, industrial facilities, waterproofing jobs, textured finishes, and specialized coatings typically involve additional cost elements such as scaffolding, safety systems, surface preparation teams, equipment handling, and site supervision. As demand for quality finishes and specialized application increases, contractors face higher wage rates for skilled painters, pushing up overall execution costs and contributing to inflation in painting expenditure.

In addition, the growing adoption of organized painting services has influenced pricing structures. Various players now offer painting service programs featuring managed execution models that include site assessment, standardized processes, and trained applicators. These structured services typically command higher pricing than informal painter-led arrangements.

Collectively, material cost revisions, product premiumisation, labour inflation, and service formalization have contributed to a sustained rise in painting costs across urban and institutional segments.

Types of paint application services

Figure 29: Various types of paint application services



Source: Industry, Crisil Intelligence

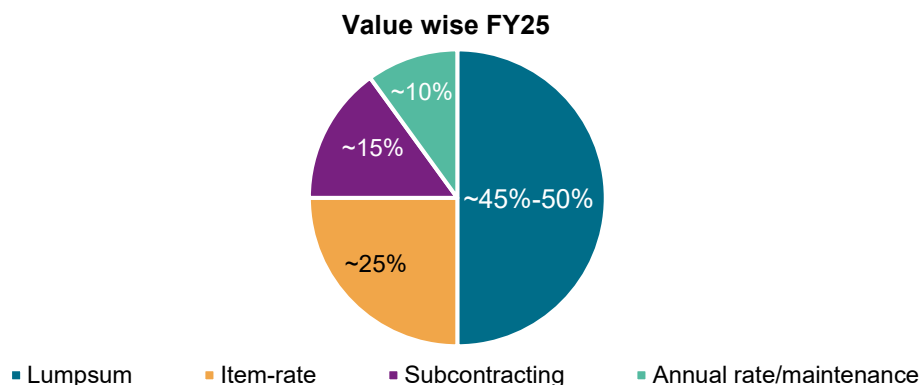
Paint application services cover a range of activities depending on the surface type, performance requirement, and project specifications. These services are typically classified into painting, coating and lining, each serving distinct functional and protective purposes.

- a) **Painting Services:** Painting services are predominantly demand-led from residential, commercial, and institutional buildings, where repainting is typically required for aesthetic refresh, upgrades, and periodic maintenance. This category covers the application of decorative or finish coatings on walls, ceilings, structural surfaces, and related elements, generally including both interior and exterior work. Typical execution involves surface preparation, primer application, and one or more finish coats using brushes, rollers, or spray equipment. Due to the broad base of buildings and frequent renovation cycles, decorative painting constitutes the largest share of the painting services market, estimated at roughly 75%-80%.
- b) **Protective Coating:** Protective coating services focus on enhancing durability and resistance to harsh environmental, chemical, and operational conditions. These systems are used for steel structures, power-related assets, industrial flooring, bridges, refineries, pipelines, and other industrial infrastructure. Protective coatings such as epoxy, polyurethane, acrylic, and other polymer-based systems are selected based on substrate type, corrosion risk, operating temperatures, and the required service life. Unlike decorative painting, protective coating projects place strong emphasis on strict surface preparation standards and adherence to film thickness specifications, often involving more controlled execution and testing. Because protective coating is driven by industrial capital intensity and asset lifecycles rather than mass renovation cycles, it accounts for about ~15% of painting services, while usually commanding higher value per project.
- c) **Lining:** Lining services are a specially used to create an internal protective barrier inside tanks, vessels, pipelines, effluent plants, and process industries. Linings are designed to withstand chemical exposure, abrasion, and high moisture environments, with materials selected according to the nature of the process medium and performance requirements. Common lining systems include epoxy, polyurethane, vinyl ester, rubber-based solutions, and cementitious linings. Execution requires careful surface preparation, proper curing, and routine inspection and testing to validate coating integrity and long-term performance. Although the volume of lining projects is smaller, their technical complexity and high-performance requirements make them the highest value segment by square feet in many use cases. As a result, lining forms a small share of the overall market, typically <5%.

The scope and complexity of these services vary by end use, technical requirements, and regulatory standards.

Types of contracts

Figure 30: Various Types of Contracts



Source: Industry, Crisil Intelligence

Table 18: Types of contacts and Price Mechanism

Contract Type	Pricing Mechanism	Quantity Risk Allocation	Suitability
Lump-sum	Fixed total contract value	Contractor	Defined-scope construction projects
Item-rate	Rate per measurable unit	Client	Projects with variable quantities
Subcontract	As per agreed scope and rates	As defined contractually	Large projects under principal contractor
Annual rate / Maintenance	Pre-agreed service rates	Client, based on usage	Periodic repainting and facility upkeep

Source: Industry, Crisil Intelligence

In the paint application industry, contract structures are determined by pricing methodology, scope clarity, and allocation of execution risk. Painting services are executed through multiple contracting formats, with different structures reflecting project size, predictability of scope, and the nature of customer demand.

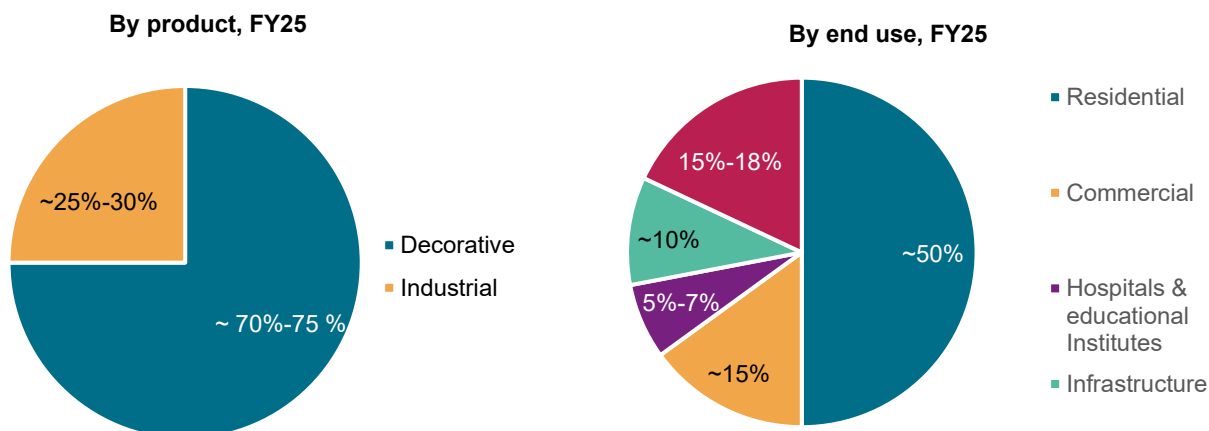
- a) **Lump-sum contracts:** By share, lump-sum contracts account for about 45%-50%, typically dominating residential and much of commercial painting where drawings, scope, and measurable quantities are largely known at the time of award. Under this structure, the client and contractor agree on a fixed total consideration for a clearly defined scope of work. The contractor is responsible for completing the specified activities within the agreed price, subject to approved changes or variations.
- b) **Item-rate contracts:** Item-rate contracts form about ~25% of the market, commonly used in government projects and large infrastructure programs. Here, the contracting party agrees on predetermined unit rates for measurable outputs such as square meters of painting, coating thickness outcomes, or linear meters of surface treated. The final contract value is calculated based on actual quantities executed and certified during the project lifecycle. This structure is preferred when site conditions, execution phasing, or design revisions may affect quantities, but unit measurement can still be reliably certified.
- c) **Subcontracting arrangements:** Subcontracting arrangements account for around 15%, especially in industrial projects where paint application contractors are engaged by larger principal contractors. In such cases, the subcontract defines the boundary of work, technical standards, timelines, interface responsibilities, and payment terms. Contractor performance is generally aligned with the master project schedule, with coordination required around access windows, safety controls, and sequential execution constraints.
- d) **Annual rate or maintenance contracts:** Annual rate or maintenance contracts contribute about 10%, typically seen in settings with recurring repainting and upkeep needs such as hotels, hospitals, malls, and airports. Clients sign annual or multi-year agreements that specify standard rates for routine maintenance activities. Work is then released through periodic work orders depending on building schedules, seasonal requirements, and maintenance planning. This model supports continuity of service delivery while reducing re-bidding for every maintenance instance.

Industries served

Paint application services in India cater to residential, construction, commercial real estate, public infrastructure, industrial manufacturing, and automotive facilities. Decorative applications account for an estimated 70%-75% of overall coatings demand in India, with industrial coatings representing the remaining 25%-30%, as per industry assessments. Demand arises from new construction as well as maintenance and repainting cycles, with repainting contributing a significant share of decorative consumption. The industry serves both retail customers and institutional clients through contract-based execution across varied project scales.

End use segmentation of paint application demand in India

Figure 31: Segmentation based on Product and End Use



Source: Industry, Crisil Intelligence

Residential: The residential segment represents the largest end-use category within decorative coatings. It includes individual houses, apartment complexes, and integrated township developments. Application scope covers interior and exterior wall finishes, waterproofing systems, and wood coatings. Repainting is estimated to account for approximately 70-80% of decorative paint demand, driven by periodic refurbishment cycles. Government housing initiatives and urban redevelopment projects contribute to incremental demand.

- **Residential individual houses** account for approximately 30% of the painting services market. Demand is primarily driven by individual homeowners undertaking periodic repainting, aesthetic upgrades, renovation, and maintenance work. This segment typically has shorter repainting cycles compared with institutional or industrial properties, resulting in a large number of small and medium-sized projects. The application scope generally includes interior wall finishes, exterior wall coatings, waterproofing systems, terrace coatings, metal paints, and wood coatings for doors, windows, and furniture. Repainting forms the majority of demand in this category, supported by refurbishment cycles, home improvement spending, and urban housing upgrades.
- **Residential complexes**, including apartment buildings, gated communities, and integrated townships, account for approximately 20% of the market. Demand in this segment is driven by both society-level maintenance and individual apartment-level repainting. Projects are generally larger than individual house assignments and may be executed through housing societies, resident welfare associations, facility managers, developers, or individual unit owners. The work often involves coordinated planning, vendor comparison, technical evaluation, and phased execution to minimize disruption to residents.

Commercial: Commercial segment accounts for approximately 15% of the market and includes office buildings, retail malls, hotels, convention centres, restaurants, and other commercial establishments. Application requirements in this segment are generally more specification-led than in the residential market, with emphasis on premium interior emulsions, durable exterior coatings, epoxy flooring systems, fire-retardant paints, and high-performance finishes for high-traffic areas. Execution typically follows formal tendering or quotation-based contract structures, with defined technical specifications, safety compliance requirements, brand approvals, and coordinated timelines. Commercial properties also undertake periodic repainting to maintain brand image, customer experience, and asset quality.

Hospitals and educational institutions:

Hospitals and educational institutions account for approximately 5%-7% of the market. This segment includes hospitals, clinics, diagnostic centres, schools, colleges, universities, and training institutions. Coating demand is driven by functional performance, regulatory compliance, hygiene requirements, and lifecycle cost considerations. Healthcare facilities

typically require specialized solutions such as low-VOC, anti-microbial, stain-resistant, washable, and chemical-resistant coatings to support infection control and cleanability. In contrast, educational institutions prioritize cost-efficient, low-odour, durable, and easy-to-maintain coatings capable of withstanding heavy footfall and frequent use. Procurement is generally institutional and specification-driven, with repainting cycles aligned to planned maintenance schedules, academic calendars, or hospital maintenance windows.

Public infrastructure: Public infrastructure accounts for approximately 10% of the market and includes bridges, metro rail systems, railway stations, airports, highways, power facilities, government buildings, and other public assets. Projects in this segment require coatings designed for long service life, corrosion resistance, weather durability, and protection against heavy environmental exposure. Application areas may include steel structures, concrete surfaces, station buildings, utility areas, road furniture, and transport infrastructure. Engagement is generally through EPC contractors, government tenders, or public-sector procurement processes under item-rate or lump-sum contracts. Execution is specification-intensive and often involves quality checks, safety compliance, and phased project delivery.

Industrial: The industrial segment accounts for approximately 15%–18% of the painting and coating services market. Demand covers manufacturing plants, refineries, chemical units, warehouses, automotive OEM facilities, heavy engineering units, process industries, and logistics infrastructure. Application requirements are largely functional and performance-driven, including anti-corrosion coatings, epoxy and polyurethane flooring, tank linings, pipe coatings, heat-resistant coatings, and chemical-resistant systems. Industrial projects typically require higher technical expertise, surface preparation standards, film thickness control, safety compliance, and inspection protocols. Within industrial coatings, automotive applications form a significant sub-segment and are estimated to account for around 40%–50% of industrial coating consumption.

Average unit economics

Unit economics in paint application are divided between material cost and manpower or execution cost. The relative share varies significantly depending on whether the project involves fresh painting, repainting, decorative finishes, or industrial coatings.

Table 19: For a basic paint application contract:

Cost	% Breakup
Material	40%-45%
Labour	45%-50%
Equipment Charges	2%-5%
Other	2%-5%

Source: Industry, Crisil Intelligence

A basic paint application contract is predominantly composed of direct execution costs, with labour and materials making up the overwhelming majority of the cost base. The relatively higher labour share highlights the manual and execution-intensive nature of painting work, while limited equipment and other overhead costs suggest a low fixed-cost operating model for contractors.

Table 20: Composite v/s non-composite contract:

Contract	Cost (per Sqft)
Composite	18-29
Non- Composite	15-26

Source: Aapkapainter, Crisil Intelligence

Composite contracts generally carry a small premium due to integrated material-and-service delivery, while the overlap with non-composite pricing highlights the importance of execution complexity, finish quality, and site conditions in overall cost determination

From a business-model perspective, players operating on a turnkey or composite basis can address a broader share of the value chain than contractors providing application services alone. By integrating material sourcing, surface preparation, application, supervision and project execution, these players may capture value from both the product and service components of a project, while offering customers greater convenience, accountability and consistency of outcome. This model may also support stronger customer relationships and facilitate the delivery of performance-led or end-to-end coating solutions.

Application-level economics: Fresh vs repainting

Retail market data indicates that fresh painting is more labour-intensive due to surface preparation, crack filling, and priming requirements.

Table 21: Indicative per square foot cost structure (as cited in retail market data):

Category	Material cost (₹/sq. ft.)
Fresh painting	₹20–₹38
Repainting	₹12–₹28

Source: Industry, Crisil Intelligence

Table 22: Breakdown by paint category

Paint category	Material cost (₹/sq. ft.)	Labour charges (₹/sq. ft.)	Total cost (₹/sq. ft.)
Distemper	₹10	₹8 – ₹10	₹18 – ₹20
Emulsion	₹12 – ₹60	₹10 – ₹25	₹22 – ₹85
Enamel	₹80	₹20 – ₹25	₹100 – ₹105
Textured	₹80 – ₹200	₹40 – ₹60	₹120 – ₹260

Source: Industry, Crisil Intelligence

Macro-level construction expenditure pattern

As per data from the Ministry of Statistics and Programme Implementation:

Table 23: Percentage share of various components in total construction expenditure

Component	Share of total construction expenditure
Materials	74.70%
Labour	22.20%
Other services	3.10%

Source: Ministry of Statistics and Programme Implementation (MoSPI), industry, Crisil Intelligence

Within the material component, paints, varnishes, and lacquers account for approximately 8.20% of material expenditure in urban households and 4.40% in rural households.

Turnkey contracts

Turnkey paint supply and application arrangements can take different forms, ranging from contractor referral and supervised application services to integrated turnkey project execution. Under a contractor-referral model, the product manufacturer or platform may facilitate access to independent applicators. Under an integrated model, the provider combines paint supply with project planning, material coordination, workforce mobilisation, application, supervision and

quality control. The extent of responsibility assumed across these activities is therefore a key distinction among organised service models.

Table 24: Customer Issues & how turnkey solution provider solves them

Customer Issues	How turnkey solution provider help solve
Coordination across multiple vendors	Combines paint supply, application and project management within a coordinated engagement.
Consistency of application	Uses defined application processes, trained or skilled applicators, supervision and quality checks.
Alignment of material supply with project progress	Coordinates manufacturing, material planning and phased site delivery with the execution schedule.
Workmanship and execution visibility	Manages application activities and site supervision instead of leaving execution entirely outside the project framework.
Selection of appropriate products and systems	Uses site assessment and technical inputs to determine suitable products and application methods.
Consistency across large or multi-site projects	Uses centralised planning, trained manpower and quality-control processes across project locations.
Project timeline management	Coordinates material availability, workforce deployment and application schedules.
Large-scale project execution	Provides an end-to-end scope covering assessment, material supply, manpower, application, supervision and completion.
Colour, finish and customised requirements	The Company offers a comprehensive palette of 2,700+ shades, plus customised products and special finishes.
Clear allocation of responsibility	Brings product supply and application activities within a common project-delivery framework.

Source: Industry, Crisil Intelligence

Turnkey contracts combine paint supply and managed application services under a single agreement, assigning responsibility for materials, execution, coordination, and performance to one provider. The scope typically includes product selection, surface preparation, paint application, site supervision, quality checks, safety compliance, warranty support and post-application touch-ups. In some cases, it may also cover allied services such as waterproofing, protective coatings, floor coatings, line marking and periodic maintenance.

Organized or B2B contract painting services provide an end-to-end painting solution encompassing site inspection, surface preparation, material procurement, application, post-paint cleanup, and warranty support. These services are typically offered by organized players such as Asian Paints Painting Services and Aapka Painter, ensuring standardized execution, trained applicators, and predictable project timelines. In contrast, traditional painting is largely undertaken by independent painters or local contractors, where the scope is generally limited to labour, with the customer often procuring materials separately. While traditional painting is relatively economical, the quality, timelines, and after-sales support may vary depending on the contractor. As a result, organized painting services command a price premium due to their comprehensive service offering, superior quality assurance, and warranty-backed execution.

Table 25: Comparison of Organized/ B2B Contract Painting and Traditional / Unorganized Painting

Parameter	Organized / B2B Contract Painting	Traditional / Unorganized Painting
Pricing model	End-to-end package including material, labour, surface preparation and warranty	Primarily labour-based; materials often purchased separately
Typical cost	Rs12-45/sq. ft. (Rs129-484/sq. m.)	Rs 10-25/sq. ft. (Rs108-269/sq. m.)
Labour charges	Included in package	Rs 10-20/sq. ft. (Rs 108-215/sq. m.) labour only
Service scope	Inspection, putty, primer, painting, protection, cleanup and warranty	Painting application; additional services charged separately

Quality assurance	Standardized process with trained workforce and branded paints	Dependent on individual painter expertise
Suitable for	Residential, commercial and institutional projects	Small residential repainting and local jobs

Source: Industry, Crisil Intelligence

This model is increasingly relevant across residential, commercial, industrial and infrastructure projects, particularly where clients seek consistency in finish quality, reduced vendor coordination and better accountability. Key end-user clients include real estate developers, housing societies, facility management companies, commercial property owners, retail chains, hospitality operators, manufacturing plants, warehouses, public institutions and infrastructure contractors.

Engagement terms may be structured on a project basis, rate contract, annual agreement or multi-year framework, with defined service levels, timelines, material specifications, inspection protocols and performance warranties.

Advantages of turnkey contracts:

- **Price competitiveness:** Industrial and real estate clients focus on cost efficiency and utility rather than brand value. As a result, integrated contract pricing where product supply and application services are bundled are more attractive than fragmented purchasing approaches.
- **Single Point Accountability:** Clients prefer working with a single vendor responsible for both supply and execution. This integrated approach reduces coordination complexity, improves accountability, and minimizes risks associated with managing multiple contractors.
- **Scalable Execution Capabilities:** Large projects require consistent quality and efficient coordination. A centralized execution model, supported by skilled applicators or painters, enables smooth delivery at scale, making one-stop solution providers particularly appealing.
- **Cost savings and value engineering:** In B2B turnkey contracts, procurement, product selection, and application are managed under a single integrated framework, enabling better quantity estimation, standardized coating specifications, and lower material wastage. Centralized procurement and inventory planning also help improve cost predictability and ensure timely material availability across project sites. For industrial and infrastructure clients, value engineering can be built into the coating design through optimized systems such as mono-coat or 3-coat-1-bake processes, which reduce paint consumption, application layers, and curing time. Similarly, the use of high-durability and long-life coatings can reduce future repainting frequency and lower lifecycle maintenance costs.
- **Increased efficiency and faster timelines:** Turnkey B2B contracts improve execution efficiency by aligning material supply, manpower deployment, equipment usage, and site scheduling from the outset. Mechanized tools such as spray systems, sanding machines, and surface preparation equipment enable faster and more consistent application compared to conventional manual methods. Organized painting service platforms, including models such as Express Painting and Beautiful Homes Painting Service, demonstrate how mechanized execution can reduce project timelines. In industrial fabrication or shutdown environments, compact coating systems can further compress application cycles, while integrated supply chains reduce downtime caused by delayed material delivery.
- **Increased flexibility:** A turnkey contract structure allows clients to manage changes in shade selection, coating specification, application area, or project scope more efficiently. Since procurement, technical consultation, and execution are handled through a unified model, modifications can be coordinated without significant disruption to the overall workflow. These contracts can also be tailored to include allied services such as waterproofing, textures, protective coatings, floor coatings, and specialty finishes, giving B2B clients greater flexibility while maintaining a single point of coordination.
- **Project management expertise:** B2B turnkey contracts typically include dedicated project supervision, structured work schedules, milestone tracking, and coordination between technical, procurement, and site execution teams. This

is particularly important for large residential complexes, commercial buildings, industrial plants, institutions, and infrastructure projects where multiple work fronts and timelines need to be managed simultaneously. Dedicated project teams help ensure that specifications are followed, materials are available on time, applicators are deployed efficiently, and work progress remains aligned with the client's overall project schedule.

- **Quality control and accountability:** Bundled arrangements create clearer accountability by linking the specified coating system with approved application practices under one contractual framework. This reduces ambiguity between product performance and workmanship, which is common when material supply and application are handled by separate vendors. Quality control is strengthened through trained applicators, standardized procedures, site inspections, diagnostic tools such as moisture meters for waterproofing, and defined acceptance criteria. Where applicable, product-linked warranties or performance assurances can also be included, giving B2B clients greater confidence in execution quality and long-term coating performance.

Construction and infrastructure sector

India's construction sector is a significant contributor to the domestic economy and accounted for approximately 8.48% of nominal Gross Value Added in Fiscal 2025. India's nominal GDP reached approximately ₹318.07 trillion during the year, while real GDP grew by 7.10%, reflecting continued economic expansion, albeit at a slower rate than in the preceding fiscal year.

Infrastructure remains the primary growth engine within construction. Public capital expenditure has increased significantly over the past decade, with budgeted central capex of approximately ₹11.21 trillion for fiscal 2026, equivalent to about 3.10% of GDP. The National Infrastructure Pipeline has an outlay of around ₹147.00 trillion, with a substantial proportion of projects under implementation. Roads and highways account for nearly half of infrastructure investments, while railways, urban metro systems, airports, and logistics hubs continue to expand.

Building construction is supported by residential demand, including affordable housing initiatives such as PMAY-U 2.0 targeting 1 crore urban homes. Industrial construction linked to oil and gas, metals, automobiles, and manufacturing incentives further strengthens sectoral growth.

Trend in construction capex

India's construction capital expenditure is in a sustained expansion cycle, driven by increased public infrastructure spending and steady private investment in housing and industrial capacity. Total construction investments, estimated at ₹42.45 trillion during fiscal 2019-2023, are projected to rise to approximately ₹67-69 trillion during fiscal 2024-2028, reflecting 1.61 times increase. Construction activity typically grows at 1.50-2.00 times the rate of domestic consumption growth, indicating strong linkage with economic expansion.

Public capital expenditure has increased materially over the past decade. Budgeted central capex stands at approximately ₹12.22 lakh crore for fiscal 2027, with effective capital expenditure including grants estimated at ₹17.15 lakh crore, representing around 4.40% of GDP. Under the National Infrastructure Pipeline, about 54.00% of projects by value are currently under implementation, reflecting execution momentum.

Infrastructure construction (68%-70% share; ₹46-48 trillion projected for fiscal 2024-2028):

- Roads and highways remain the largest segment, historically accounting for nearly half of infrastructure investments.
- Railways and metro systems continue to see increased allocation, including station redevelopment and corridor expansion.
- Urban infrastructure, including water supply, sanitation, and metro rail, is projected to grow significantly.
- Power generation and transmission remain capital-intensive components.

Building & construction (23%-25% share; ₹16-17 trillion projected):

- Residential construction dominates, accounting for approximately 87.55% of building investments, supported by urbanization and affordable housing initiatives.
- Commercial and social infrastructure includes office parks, retail, healthcare, and educational institutions.

Industrial and manufacturing construction (6%-8% share; ₹4.40-4.60 trillion projected):

- Oil and gas represent the largest sub-segment within industrial capex.
- Metals and automobile manufacturing contribute through capacity expansions.
- Production Linked Incentive schemes support investment in electronics, automotive, and specialty manufacturing facilities.

Government and private initiatives and investments in infrastructure development

Infrastructure development in India is supported by sustained public capital expenditure, structured planning frameworks, and increasing private sector participation.

Public capital expenditure has risen materially from ₹2 lakh crore in fiscal 2015 to a budgeted ₹12.22 lakh crore for fiscal 2027. Effective capital expenditure, including grants for asset creation, is estimated at ₹17.15 lakh crore, representing approximately 4.40% of GDP.

Government expenditure on the construction, renovation and maintenance of schools, hospitals, administrative buildings and other public infrastructure is expected to create additional opportunities for providers of integrated paint supply and application services.

Key government frameworks include:

- National Infrastructure Pipeline (NIP): Revised investment target of ₹147.00 trillion across 54 sectors. Approximately 54% of projects by value are under implementation. Major allocations are directed toward roads, power, water, and railways.
- National Monetisation Pipeline (NMP): Designed to unlock value from operational brownfield assets and reinvest proceeds into new infrastructure. NMP 2.0 targets monetisation of ₹16.72 lakh crore between fiscal 2026 and fiscal 2030.
- PM Gati Shakti National Master Plan: A GIS-based digital platform integrating multiple ministries and states to improve multimodal connectivity and project coordination.

Sectoral focus areas include:

- Roads and highways: National highway network expanded to approximately 146,145 km, supported by corridor and rural connectivity programs.
- Railways: Capital outlay of approximately ₹2.65 lakh crore, funding station redevelopment, freight corridors, and high-speed rail initiatives.
- Urban and housing: PMAY-U 2.0 targets construction of 1 crore urban homes with investment of around ₹10 lakh crore. Urban missions support metro rail, water supply, and sanitation projects.
- Logistics: Development of multimodal logistics parks and digital platforms to improve supply chain efficiency.

- **Healthcare:** Ayushman Bharat Health Infrastructure Mission, drives expansion of wellness centers, new government hospitals and critical care blocks.
- **Education:** Samagra Shiksha Abhiyan India's integrated school education scheme allocates funds for school infrastructure, including maintenance and upgradation of government school buildings. Complementing these national-level interventions, state governments are also undertaking large-scale, localized school infrastructure programmes. The Mana Ooru–Mana Badi / Mana Basti–Mana Badi programme is a flagship, large-scale school infrastructure development initiative of the Government of Telangana, aimed at comprehensively upgrading infrastructure across 26,065 government and local-body schools across all 33 districts of Telangana over a period of five years, through a three-phase programme with an approved outlay of Rs 7,289.54 crore, benefiting approximately 19.84 lakh students.

Private participation is facilitated through Public-Private Partnerships, Infrastructure Investment Trusts (InvITs), and Real Estate Investment Trusts (REITs), which have unlocked over ₹1.50 lakh crore in asset monetization. Institutions such as NIIF and NaBFID provide long-term financing support, while interest-free loans to states incentivize sub-national infrastructure development.

Growing demand for residential and commercial construction

Building construction in India is projected to reach approximately ₹16-17 trillion during fiscal 2024-2028, reflecting growth of about 1.34 times compared to the previous five-year period. Expansion is driven primarily by residential development, supported by urbanization and policy-led housing initiatives, alongside a recovery in commercial real estate.

Residential construction: Residential housing accounts for approximately 87.55% of total building construction investments. Demand across eight key cities, including Delhi NCR, Mumbai Metropolitan Region, Pune, Ahmedabad, Hyderabad, Chennai, Kolkata, and Bengaluru, is projected to grow at an estimated 8-10% CAGR between fiscal 2023 and fiscal 2025, reaching approximately 325 million square feet. Annual new launches are forecasted to grow at 13%-15% CAGR, reaching 330-350 million square feet by fiscal 2025.

Key demand drivers include:

- **Urbanization:** Urban population is projected to reach approximately 40.14% by 2030, increasing housing requirements in metropolitan and tier II cities.
- **Changing household structures:** Growth in nuclear families is increasing per capita floor space demand.
- **Affordable housing initiatives:** PMAY-U 2.0 involves investment of approximately ₹10 lakh crore and targets construction of 1 crore urban homes over five years.
- **Income growth:** Rising per capita income levels have improved housing affordability in organized urban markets.

Commercial and social infrastructure

Commercial construction has strengthened following recovery in office leasing and corporate expansion. Global Capability Centres and IT services firms continue to drive office absorption in major cities. Data centre construction is projected to grow at 25%-30% CAGR between 2023 and 2026, supported by digital infrastructure expansion. Retail and hospitality development has increased in response to higher discretionary spending. Healthcare and education infrastructure have also seen higher budgetary allocation and institutional investment.

Geographical diversification

While metros account for a significant share of market value, growth is expanding into tier II and III cities. Budgetary emphasis on developing cities with populations above 5 lakh supports new regional growth clusters.

Investment environment and institutional participation

Institutional investment in real estate has strengthened, with reported inflows of approximately \$10.40 billion in 2025. The REIT ecosystem has expanded, with market capitalization exceeding \$10.00 billion. Regulatory reforms, including RERA and GST, have contributed to greater transparency and investor participation.

Household-led construction activity remains significant. Approximately 98.54 lakh households undertook own-account construction during fiscal 2024, with rural households accounting for a majority of such activity. Construction expenditure remains material-intensive, with materials accounting for approximately 70%-78% of total spending.

Increasing focus on urbanization and smart cities

Urbanization in India is reshaping infrastructure priorities, spatial planning, and capital allocation. Urban population is projected to increase from approximately 35% in 2025 toward nearly 50% by 2050, with towns and cities expected to house around 600 million people by 2036. Urban centres are estimated to contribute nearly 70% of national GDP over the medium term. Expansion is increasingly visible in peri-urban belts and tier II and III cities, reflecting geographic diversification beyond established metropolitan regions.

Urban centres across India are witnessing the development of larger residential, commercial and institutional projects, creating demand for organized providers capable of executing painting and coating works at scale.

Smart Cities Mission

The Smart Cities Mission has focused on modernization of core urban infrastructure through technology-enabled planning and service delivery. As of March 2026, approximately 97% of the 8,064 sanctioned projects under the mission, with aggregate investment of around ₹1.56 lakh crore, have been completed. Total investment under the program is estimated at approximately ₹1.64 lakh crore. All 100 selected cities have operational Integrated Command and Control Centres supporting monitoring of utilities, traffic management, waste systems, and public safety. Project components include smart roads, water supply upgrades, sewerage systems, non-motorized transport corridors, and digitized governance platforms.

Urban infrastructure and housing initiatives

- PMAY-U 2.0: Investment of approximately ₹10 lakh crore targeting construction of 1 crore urban housing units.
- Urban Challenge Fund: ₹1 lakh crore framework designed to co-finance redevelopment, water management, and sanitation projects in growth-oriented cities.
- City Economic Regions: Budgetary emphasis on infrastructure development in cities with populations above 5 lakhs to support regional growth hubs.
- Transit-Oriented Development: Policy framework promoting higher-density, mixed-use development around transport corridors to optimize land use and reduce commute times.
- Regional connectivity projects: The 82 km Delhi-Meerut Regional Rapid Transit System corridor supports suburban expansion and improved inter-city mobility.

Logistics and digital integration

The National Logistics Policy seeks to reduce logistics costs as a percentage of GDP through multimodal connectivity and digital platforms such as the Unified Logistics Interface Platform. Integration of transport corridors, freight networks, and urban planning supports improved mobility and coordinated infrastructure development.

Opportunities for growth

Formalisation of the paint application market represents a significant growth opportunity for organised integrated providers. The paint application industry was estimated at Rs 400-420 billion in Fiscal 2025 and is projected to reach Rs 640-670 billion by Fiscal 2030, while organised participants account for only approximately one-fifth of the market by value. The opportunity is not limited to a single end-use segment since integrated execution can address painting requirements across residential, commercial, institutional, industrial and infrastructure applications.

The large unorganised share indicates that application-side formalisation remains at an earlier stage than product-side formalisation. Customers with larger, multi-site or specification-driven requirements are increasingly likely to value coordinated material supply, trained workforce deployment, project supervision and documented quality control, supporting the transition from individually managed contractor engagements towards organised project-delivery models.

Project-led brand development and expansion of product sales

Most established paint manufacturers built their brands through product distribution, dealer networks and consumer marketing before expanding into application-related services.

The next phase of growth can therefore be supported by two complementary revenue streams: continued expansion of turnkey paint projects and increased sales of branded paint products. The project business provides direct engagement with customers and application feedback, while product sales can extend the reach of the Company's manufacturing and brand capabilities.

Structural under-penetration and fragmentation present opportunities in the paint application industry. India's per capita paint consumption of approximately 3.50-4.50 kg remains below the global average of around 10.00-15.00 kg, indicating scope for long-term expansion in application volumes as construction intensity increases.

A significant opportunity lies in formalizing the largely unorganized application ecosystem. Organized service models, industrial finishing centres, and technically qualified applicators remain limited relative to project scale in commercial, infrastructure, and manufacturing segments.

Specialized segments such as waterproofing and construction chemicals, estimated at approximately ₹15,000 crore, offer higher-value execution opportunities. Emerging asset classes such as data centres and renewable energy installations require advanced coating systems, presenting opportunities for technically capable application providers in performance-oriented segments.

Table 26: Key Application Markets and Demand Drivers

SN	Key Application End Markets	Paint Application service Demand Driver
1.	Residential	Increasing housing construction, renovation/remodelling activities, rising disposable income, demand for premium and aesthetic finishes
2.	Commercial	Growth in office spaces, malls, and retail outlets; need for maintenance cycles; branding and interior aesthetics requirements
3.	Hospitals	Strict hygiene standards, demand for antimicrobial and easy-to-clean coatings, frequent repainting for compliance and safety
4.	Educational Institutes	Expansion of schools/universities, periodic maintenance schedules, focus on safe and low-VOC coatings for indoor air quality
5.	Infrastructure	Government investments in infrastructure (roads, bridges, airports), need for protective coatings, durability and weather resistance requirements

6.	Industrial	Expansion of manufacturing and logistics facilities, need for corrosion protection, specialized coatings (heat, chemical resistance), safety markings and compliance requirements
----	------------	---

Source: Industry, Crisil Intelligence

Increasing demand from emerging industries

Emerging industries in India are generating incremental demand for specialized paint application services that require performance-oriented coatings and compliance with defined technical standards.

Renewable energy

India's non-fossil fuel power capacity has reached approximately 218 GW, reflecting significant expansion in renewable infrastructure. Wind and solar installations require corrosion-resistant and weather-durable coating systems for towers, blades, mounting structures, and transmission components. Offshore and coastal wind assets are exposed to high salinity environments, increasing the need for multi-coat protective systems. Application in renewable projects is specification-driven and often linked to long service life requirements.

Aerospace and defence

Growth in domestic aerospace manufacturing and maintenance facilities has created demand for high-performance industrial coatings. Aerospace components require coatings capable of withstanding high temperatures, chemical exposure, and mechanical stress. Execution typically involves controlled spray environments, defined surface preparation standards, and adherence to aviation quality norms. Government-led manufacturing initiatives have supported increased domestic production in defence and aerospace, expanding the requirement for certified application capabilities.

Data centres and semiconductor facilities

India hosts approximately 3% of global data centre capacity while accounting for nearly 20% of global data generation, indicating expansion potential in digital infrastructure. Data centre construction requires passive fire protection systems, anti-static flooring, and clean-room compatible coatings. Infrastructure status granted to data centres has supported capital investment in new facilities, increasing demand for technically qualified applicators.

Electric vehicles and electronics

Industrial construction linked to electric vehicle manufacturing and electronics production is increasing. Specialized coatings are required for battery packs, chassis components, and manufacturing lines. Application environments demand consistency, energy-efficient curing systems, and compliance with international safety standards.

Specialized paint application services in the construction and infrastructure sectors

Modern construction and infrastructure assets increasingly require performance-oriented coating systems designed for durability, safety, and lifecycle efficiency. This shift reflects higher capital allocation toward infrastructure and more stringent technical specifications in large-format projects.

Protective coatings for infrastructure: Bridges, metro rail systems, rail corridors, and coastal structures require multi-layer anti-corrosion systems to withstand humidity, salinity, and pollution exposure. Marine and high-salinity environments demand specialized epoxy primers and fluoropolymer-based topcoats to extend asset life. Transport assets, including high-speed rail systems, utilize weather-resistant coating systems tested for durability and surface retention.

Scientific waterproofing and construction chemicals: Waterproofing and construction chemicals represent an estimated ₹15,000 crore segment. Demand is driven by high-rise construction, basement development, podium decks, and rehabilitation of aging buildings. Application practices increasingly incorporate moisture-detection tools and defined treatment protocols rather than manual assessment. Liquid-applied elastomeric membranes, fibre-reinforced systems, and heat-reflective roof coatings are commonly specified in urban developments.

Passive fire protection and safety coatings: Industrial facilities, refineries, tunnels, warehouses, airports, and data centres require intumescent and fire-resistant coating systems to meet safety compliance norms. Expansion of digital infrastructure and energy assets has increased the share of fire-rated structural steel protection within project scopes. Certain systems carry third-party certification to validate fire-resistance performance.

Specialized industrial applications: Emerging sectors such as aerospace, electronics manufacturing, renewable energy, and electric vehicle production require advanced coating systems. Wind turbine towers and blades require weather-durable coatings. Aerospace and electronics components demand chemical-resistant and high-temperature-tolerant systems applied under controlled conditions. Electric vehicle manufacturing lines require coatings meeting flame-retardant and insulation standards.

Execution capability and mechanization: Specification-driven projects require calibrated spray equipment, controlled curing conditions, and documented inspection procedures. Mechanized spraying and surface preparation equipment can reduce project timelines by up to 60% compared to manual processes in certain applications. Increasing technical complexity is contributing to demand for organized, trained application teams capable of meeting defined engineering standards.

Shift in customer preference

Customer behaviour in the construction and renovation market is increasingly influenced by design considerations rather than purely functional requirements. Visual appeal, surface finish quality, and customization are gaining importance in both residential and commercial projects.

Shift in material mix: Urban households allocate approximately 8.20% of material expenditure to paints, varnishes, and lacquers compared to 4.40% in rural areas, indicating higher finishing intensity in cities. Decorative emulsions and specialty coatings are progressively replacing basic distemper and cement-based paints in organized markets. Premium finishes offering washability, stain resistance, and smoother textures are being specified more frequently in urban housing.

Design-led construction in commercial assets: Office buildings, retail spaces, and hospitality projects increasingly incorporate coordinated colour themes and feature finishes aligned with brand identity. Interior fit outs in commercial spaces often include textured coatings, metallic finishes, and wood treatments as part of overall design planning.

Digital influence and informed selection: Shade visualization tools and digital simulation platforms are supporting pre-application colour selection and customization. Structured consultation models have increased consumer engagement in finish selection decisions.

Professional execution preference: Complex finishes such as textures, metallics, and specialty coatings require trained applicators and controlled execution methods. Organized service providers and mechanized application tools are increasingly preferred in urban markets where finish consistency is prioritized. Premiumisation trends reflect a broader shift toward discretionary spending within construction budgets, with aesthetic value forming a larger share of total project expenditure.

Government tenders and eligibility criteria

Institutional and infrastructure painting contracts in India are largely awarded through structured public procurement frameworks. Entry into this segment is governed by defined technical, financial, and statutory conditions that influence participation by paint manufacturers and application service providers.

Public Procurement (Preference to Make in India) Order, 2017

- **Local content classification:** Bidders are categorized as Class-I local suppliers with minimum 50% local content and Class-II local suppliers with minimum 20% local content.

- **Purchase preference:** Class-I suppliers receive preferential treatment and, where their quoted price falls within a 20% margin of the lowest bidder, may be eligible to supply up to 100% of the tendered quantity in certain non-divisible procurements.
- **Global tender restriction:** For procurements below ₹200 crore, government entities are generally restricted from issuing global tender enquiries, thereby limiting foreign participation in mid-sized public projects.

Technical and financial pre-qualification norms

- **Experience requirement:** Submission of completion certificates for similar painting, waterproofing, or protective coating projects of specified contract value.
- **Financial eligibility:** Minimum turnover benchmarks, audited financial statements, and bank solvency certificates aligned with project size.
- **Statutory compliance:** GST registration, EPF and ESI compliance where applicable, and updated tax filings.
- **Operational capability:** Demonstration of calibrated spray systems, scaffolding arrangements, safety infrastructure, and availability of trained supervisory and execution teams.

Grading and contractor registration

Agencies such as CPWD, MES, and state public works departments require graded contractor registration prior to bid participation in specific project categories. Registration grades are typically linked to contract value thresholds and past execution performance.

Government e-Marketplace (GeM) portal

GeM portal serves as a centralized digital procurement platform for government departments, public sector undertakings, and autonomous bodies. It plays a growing role in the sourcing of standardized painting materials as well as engagement of service providers for facility management and infrastructure works.

Product specification and validation

Infrastructure and transport projects may require coatings that comply with ministry-specific technical specifications. Corrosion-resistant, fireproofing, and waterproofing systems are often subject to product-level validation and approval prior to inclusion in tender documents.

State-level facilitation measures

Certain state industrial policies provide incentives for establishing manufacturing or industrial finishing facilities, including reimbursement of statutory charges or capital-linked subsidies. Single-window clearance systems in select states facilitate regulatory approvals for setting up application or production infrastructure.

Skill and manpower certification

Tender documentation increasingly requires proof of trained applicators and safety-certified personnel. Alignment with nationally recognized vocational certification frameworks strengthens eligibility in large-format public infrastructure projects.

Paint application industry growth drivers

The drivers of the paint application market are increasingly linked not only to the quantity of surfaces requiring painting, but also to the complexity of execution. Larger projects, multi-site programmes, formal procurement processes, tighter completion schedules and greater emphasis on safety and quality documentation increase the need for organised project

planning and application management. These factors support providers capable of coordinating product selection, material supply, workforce deployment, supervision and inspection within a single operating model.

The formalisation of painter training, mechanised application, digital project monitoring and standard operating procedures is also widening the distinction between individually managed contractor engagements and organised integrated execution. As customer requirements evolve, the relevant competitive factors increasingly include execution capability, project management, accountability and the ability to deliver consistent outcomes across sites, in addition to product range and price.

Growth in the paint application industry is linked to expansion in construction, infrastructure spending, industrial output, and increasing formalization of services. Paint demand typically grows at a multiple of overall consumption growth, reflecting its correlation with building activity. Affordable housing initiatives such as PMAY-U 2.0 and urban redevelopment programs support residential demand, while higher expenditure intensity on paints in urban construction indicates stronger city-led consumption. Infrastructure projects including bridges, metro systems, and rail corridors require performance coatings. Industrial expansion, including automotive and electric vehicle manufacturing, adds specialized coating demand. Shortening repainting cycles and rising adoption of organized painting services further support industry growth.

Repainting Demand and maintenance

Painting services demand can be broadly classified into New Construction and Repainting/Maintenance. While new construction demand is linked to real estate, infrastructure, and industrial project completion cycles, repainting and maintenance account for approximately 70%–80% of the overall painting services market, making it the largest and most recurring demand driver.

In the residential sector, repainting demand is driven by aesthetic refresh, home renovation, tenant turnover, waterproofing needs, and periodic upkeep of individual houses and apartment complexes. Residential repainting typically follows a 3-5 year cycle, with interiors repainted more frequently than exteriors. Housing societies and residential complexes also generate recurring demand through façade repainting, common area maintenance, terrace waterproofing, and periodic refurbishment.

In the commercial sector, repainting is driven by brand image, customer experience, lease renewals, tenant changes, and facility upgrades. Offices, hotels, malls, retail stores, and institutional buildings require regular repainting to maintain visual appeal and operational standards. High-footfall properties often have shorter maintenance cycles, creating steady demand for organized painting services.

In the industrial sector, repainting and maintenance are more performance-led than aesthetic. Demand is driven by corrosion protection, asset integrity, safety compliance, and lifecycle extension of plants, steel structures, tanks, pipelines, floors, and equipment. Protective coatings, epoxy flooring, anti-corrosion systems, and linings are typically reapplied as part of planned shutdowns or preventive maintenance schedules.

Painting market outlook in key geographies and competition

Demand conditions across the Indian paint market continue to be shaped by construction growth, infrastructure investment, rising industrial output, and increasing consumer preference for better finishes. The medium-term outlook remains positive, supported by low per capita paint consumption compared with developed economies, continued urbanization, and gradual formalization across distribution and service channels.

Within India, market value remains concentrated in large metropolitan regions such as the Mumbai Metropolitan Region, National Capital Region, Bengaluru, Chennai, Hyderabad, and Pune. These markets benefit from higher construction intensity, premium product adoption, faster repainting cycles, and greater spending on interior and exterior finishes. Urban households allocate approximately 8.20% of their construction material expenditure to paints, compared with about 4.40% in rural areas, reflecting stronger finishing intensity in cities.

At the same time, tier II, III, and IV cities are emerging as important growth markets. Demand in these locations is being supported by urban expansion, affordable housing, warehousing and logistics development, and improving consumer aspiration. Rural demand remains more cyclical and is influenced by agricultural income, monsoon conditions, and local construction activity. Established Indian paint manufacturers also have overseas operations across Asia, the Middle East, and parts of Africa, where performance depends on local macroeconomic conditions, infrastructure activity, and currency movements.

Competition in the domestic paint market has intensified following significant capacity additions by organized players. The organized segment accounts for an estimated 70%–75% of total paint market value, with the balance served by regional and unorganized participants. Asian Paints continues to hold a leading position in decorative paints, followed by Berger Paints, Kansai Nerolac, AkzoNobel India, and Birla Opus. Recent expansion by large-capacity entrants has increased distribution reach, widened product availability across price segments, and raised promotional intensity.

The nature of competition differs across categories. Decorative paints are largely scale-driven, with players competing on brand strength, dealer networks, product innovation, colour offerings, and consumer engagement. Industrial coatings are more specification-driven, where competitive positioning depends on technical approvals, client relationships, product performance, and execution capability in automotive, protective, and heavy-duty coating applications. Overall, the market reflects a combination of scale-based competition in decorative paints and technical, approval-led competition in industrial coatings.

Increasing demand for paint application services in the construction and infrastructure sectors

Expansion in real estate and infrastructure development has increased demand for paint application services across India. Residential and commercial construction remains the primary demand driver, supported by urbanization, redevelopment of aging buildings, premium housing, and affordable housing programs. Initiatives such as PMAY-U 2.0, which targets construction of 1 crore urban housing units, are expected to support incremental demand for architectural painting, waterproofing, and finishing services.

In addition to new construction, maintenance and repainting of existing building stock provide recurring volumes for the application services market. Residential repainting, housing society maintenance, commercial refurbishments, and institutional upkeep continue to generate steady demand. Urban markets show stronger expenditure intensity on finishing work, which has encouraged greater participation by organized service providers in metropolitan and tier I cities.

Growth in office spaces, retail developments, hotels, warehousing facilities, logistics parks, and mixed-use developments is also expanding the addressable market for contract-based painting assignments. These projects generally require defined work scopes, timelines, safety practices, and quality standards, creating opportunities for more structured service providers.

Public infrastructure projects require a different category of application capability. Investments in highways, metro rail corridors, bridges, airports, railway stations, and power facilities create demand for corrosion-resistant, fire-retardant, weather-durable, and long-life coating systems. Large engineering assets, marine structures, high-altitude bridges, and transport infrastructure typically involve strict surface preparation standards, coating thickness requirements, inspection protocols, and compliance documentation.

Industrial and energy infrastructure further contributes to demand for specialized paint and coating application services. Manufacturing plants, refineries, chemical units, renewable energy installations, warehouses, and electric vehicle facilities require anti-corrosion coatings, epoxy and polyurethane flooring, tank linings, pipe coatings, and fireproofing systems. Execution in these segments is typically governed by technical approvals, safety standards, and performance specifications, making application quality a critical factor.

Painting services contribution

The painting services segment has become an increasingly important part of the overall value chain in the Indian paint industry. While paint manufacturing is concentrated among established corporate players, the application layer remains largely fragmented. The organized painting services market accounts for approximately 20% of overall painting service activity, while the unorganized segment continues to account for nearly 80%.

Growth in painting services is being driven by rising urbanization, a growing middle-class population, higher spending on home improvement, and increasing focus on aesthetics, durability, and finish quality. Customers in urban markets are increasingly seeking reliable execution, transparent pricing, faster completion, trained applicators, branded materials, and warranty-backed service models. This has supported the emergence of organized service platforms backed by paint manufacturers and digital service providers.

Paint manufacturers have also played an important role in formalizing the application ecosystem by training and certifying painters. These initiatives help improve application standards, product knowledge, site safety, and finish consistency. Trained applicators also support premiumization, as customers become more willing to pay for superior execution, mechanized tools, and professional project supervision.

Organized players are investing in technology and process standardization to differentiate themselves from informal contractors. Mechanized sanding, spray application, digital colour consultation, moisture assessment, structured site supervision, and digital booking interfaces are being used to improve efficiency and consistency. As a result, painting services are gradually shifting from a purely labour-led activity to a more structured service offering, particularly in metropolitan and tier I markets.

Overall, the painting services segment is expected to grow in importance as construction activity expands, existing buildings require periodic maintenance, and customers increasingly prefer professionally managed painting solutions. While the unorganized segment will continue to dominate in volume terms due to low cost and local availability, organized service providers are likely to gain share in urban, premium residential, commercial, institutional, and infrastructure-linked projects.

Growing need for specialized paint application services

Evolving construction practices and stricter performance requirements have increased demand for specialized paint application services such as waterproofing, passive fire protection, corrosion control, and industrial linings. Asset owners are placing greater emphasis on durability, lifecycle cost, and regulatory compliance rather than only decorative finishes.

Waterproofing and construction chemicals have emerged as high-growth areas within building protection. Industry estimates value the construction chemicals and waterproofing segment at approximately ₹15,000 crore¹⁹. High-rise construction, basement development, podium structures, and exposure to varied climatic conditions have increased the need for systematic moisture control solutions. In addition, aging buildings from earlier real estate cycles are undergoing repair and rehabilitation, generating demand for crack treatment, damp-proofing, and terrace waterproofing systems. Advanced solutions such as crystalline admixtures, polymer-modified coatings, and membrane-based systems are increasingly specified in large projects.

Passive fire protection and safety coatings are gaining importance in sectors such as oil and gas, power generation, airports, tunnels, warehouses, and data centres. Intumescent and epoxy-based fire protection systems are applied to structural steel and critical infrastructure to delay structural failure under high-temperature exposure. Industrial facilities may also require thermo-indicative or heat-resistant coatings to support safety monitoring.

Infrastructure projects in marine and high-corrosion environments require multi-coat protective systems designed for long service life. Bridges, coastal installations, and energy facilities are specified with corrosion-resistant primers and specialized topcoats to withstand aggressive exposure conditions.

¹⁹ <https://www.indianchemicalnews.com/general/indigo-paints-acquires-51-stake-in-apple-chemie-india-16990>

Emerging sectors such as electric vehicle manufacturing, electronics, pharmaceuticals, and clean-room facilities are creating additional demand for anti-static, chemical-resistant, and fire-retardant coatings. Execution of such systems requires trained applicators, surface preparation standards, and adherence to technical specifications, supporting growth in organized and technically capable paint application service providers.

Rising adoption of advanced paint application technologies

Adoption of advanced paint application technologies has increased across industrial and organized construction segments in India, driven by requirements for higher productivity, uniform finish, and environmental compliance. These technologies are particularly visible in automotive, consumer durable, and large-scale engineering facilities.

Powder coating is widely used in appliances, metal furniture, automotive components, and engineering goods. Unlike conventional liquid systems that may require primer and multiple coats, certain powder coatings are designed to achieve required film thickness in a single application. The process allows recovery and reuse of overspray, resulting in high material utilization and negligible solvent emissions. Low-energy curing formulations introduced by major manufacturers enable curing at reduced temperatures compared to conventional powder systems, contributing to lower energy consumption and faster throughput.

Electrostatic spray painting is standard in automotive OEM facilities and metal fabrication plants. By electrically charging paint particles, transfer efficiency improves and coating distribution becomes more uniform, reducing material wastage relative to conventional air spray systems. Automotive plants commonly integrate robotic spray arms and controlled paint booths to maintain consistent film thickness and finish quality across high production volumes.

In the architectural segment, organized service platforms such as Express Painting and Beautiful Homes Painting Service deploy mechanized spray and sanding equipment. Mechanized spraying can significantly reduce application time compared to brush and roller methods, while sanding machines with dust extraction systems improve surface preparation quality and reduce rework.

Industrial coating innovations, including mono coat systems and compact curing cycles, allow fabricators to shorten project completion timelines compared to traditional multi-step processes. Collectively, these technologies enhance productivity, consistency, and scalability in paint application across industrial and organized construction environments

Competitive Landscape

The competitive landscape for paint application services is broader than that for paint products and includes individual painters, local contractor teams, organized independent applicators, manufacturer-backed service platforms and integrated manufacturing-plus-application providers. These participants differ in the extent of their control over paint products, application workforce, project scheduling, quality assurance and project execution.

Large paint manufacturers primarily compete through brand strength, product portfolios, dealer networks and distribution reach, while manufacturer-backed service platforms typically extend their product offerings through applicator access, consultation and supervised painting services. Organized independent applicators may possess project-execution capabilities but do not ordinarily manufacture the paint products used in their projects or control product formulation. Integrated providers combine paint manufacturing and supply with application and project execution, enabling coordinated responsibility across material planning, workforce mobilization, application, supervision and quality control.

Technopaints and Chemicals Limited operates within this integrated segment by combining in-house paint manufacturing with turnkey project execution. Its differentiation arises from the combination of manufacturing, product and shade capabilities with site assessment, product selection, material coordination, skilled workforce mobilization, application, project supervision, inspection and quality control. This enables the Company to manage the product and execution components of a painting project within a coordinated project-delivery framework.

The paint application services landscape in India is gradually evolving from a largely fragmented, contractor-led model to a more organized and branded service ecosystem. However, the market continues to remain predominantly unorganized, with the organized segment accounting for approximately 20% of the overall painting services market. This organized portion comprises large paint manufacturers, branded painting service platforms, and formal service providers that operate through structured processes, trained applicator networks, standardized pricing, and technology-enabled execution.

Large players in the organized market are differentiating themselves through end-to-end service models, professional supervision, colour consultation, mechanized tools, transparent pricing, and improved customer experience. These services are particularly gaining traction in urban markets, where customers increasingly prefer reliable execution, faster project completion, branded materials, and warranty-backed service delivery. The following table outlines key players and core differentiators.

Table 27: Key Players and their Market Differentiators

Player	Differentiator
Technopaints and Chemicals Limited	End-to-end solutions for homeowners and large-scale users including cooperative housing societies, new constructions, institutes, and government organizations
Asian Paints Services	Utilizes automated colour consultation, mechanical sanding, and trained contractors to
Berger Express Painting	Caters to residential and commercial property owners by offering end-to-end, automated painting services
Birla Opus PaintCraft	End to end home painting and consultation service
Nerolac NXTGen	Premium service offering expert supervision, colour selection, and deep cleaning post-painting.
Indigo Painting Services	Emphasizes simplified booking, transparent pricing, and painter network leveraging digital interfaces for customer convenience
JSW Paints Limited	Offers assisted with home painting solutions focused on colour consultation, site supervision, and project execution through its nationwide dealer and contractor network
Nippon Paint (India) Private Limited	Provides end-to-end painting services leveraging premium decorative coatings expertise, trained applicators, and customized solutions for residential and commercial projects

Source: Industry, Crisil Intelligence

Barriers to Scale in Paint Application Services:

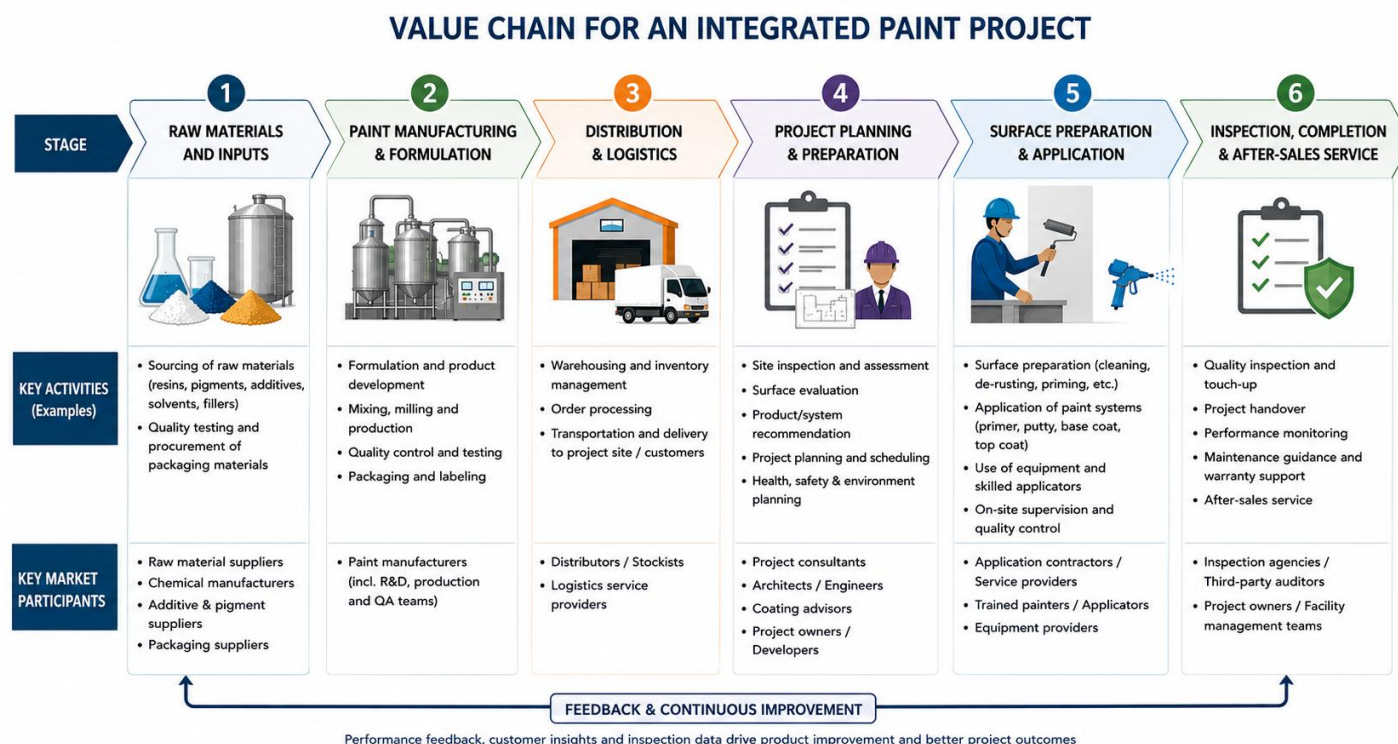
Despite increasing formalization, the paint application services segment faces several structural constraints that limit scalable growth:

- **Skilled manpower availability:** Acute shortage of trained painters and supervisors, particularly for advanced finishes and mechanized application, leading to inconsistent quality and execution bottlenecks across regions.
- **Fragmented labour ecosystem:** Heavy reliance on informal, locally anchored painter networks restricts standardization and makes it difficult to replicate service quality at scale.
- **Working capital intensity:** High upfront cash requirements driven by labour advances, contractor payments, and project execution cycles, coupled with delayed receivables in institutional projects.
- **Regulatory and qualification barriers:** Entry into large government and infrastructure projects is constrained by stringent pre-qualification norms, including CPWD contractor grading, past project credentials, and financial thresholds.

- **Operational complexity:** Requirement for project management capabilities across sites, including supervision, scheduling, and quality control, increases execution risk and limits rapid geographic expansion.

Integrated Paint Project Value Chain

Figure 32: Flow of Integrated Paint Project Value Chain



Source: Industry, Crisil Intelligence

The value chain for an integrated paint project encompasses activities from procurement of raw materials and paint manufacturing through distribution and logistics, project planning and preparation, surface preparation and application, inspection, completion and after-sales service. Unlike the conventional paint supply model, where paint manufacturing and application are typically undertaken by separate entities, an integrated model combines paint products and application-related services within a coordinated project framework, enabling closer alignment between product specifications, site conditions, surface preparation, application practices and the required project outcome.

The performance and finish of an applied paint system depend on the suitability and quality of the paint product as well as the condition of the underlying surface, surface preparation, workmanship, application methods, coating thickness and adherence to the prescribed application process. Integration of paint supply and application services enables these interdependent activities to be planned, coordinated and monitored across the project lifecycle. Technical guidance also identifies selection of the appropriate coating material, preparation of the underlying surface and application at the required film thickness as key factors influencing coating adhesion, durability and overall performance.

Formalisation Gap across the Paint Products and Application Value Chain

The level of formalisation varies materially across the paint value chain in India. The organised segment accounted for approximately 70%-75% of the paint products market by volume in Fiscal 2025, compared with approximately 60%-65% in Fiscal 2010, and is projected to account for approximately 85%-90% by Fiscal 2030. In contrast, organised participants accounted for only approximately 20% of the paint application market by value in Fiscal 2025, with the balance comprising

a fragmented base of individual painters and local contractor teams operating through largely unorganised and individually negotiated engagements.

Accordingly, formalisation is considerably more advanced in paint manufacturing and product supply than in paint application and project execution. Organised paint manufacturers have developed manufacturing capacity, product portfolios, brands and distribution networks, while the application side of the value chain continues to involve multiple participants with varying levels of process standardisation, technical supervision, project-management capabilities, documentation and accountability.

This difference creates a structural opportunity for integrated paint solutions providers capable of connecting the organised product side of the value chain with the comparatively fragmented execution side. An integrated provider combines paint manufacturing and supply with site assessment, product selection, material planning, surface preparation, workforce mobilisation, application, project supervision, inspection and quality control. This enables product specifications, material availability, workforce deployment and application practices to be coordinated within a common project-delivery framework.

Technopaints and Chemicals Limited operates within this gap through its integrated manufacturing-plus-application model. Unlike product-led paint manufacturers that principally participate in manufacturing and distribution, or independent application contractors that do not ordinarily control paint manufacturing or product formulation, the Company combines in-house paint manufacturing with Turnkey Paint Project execution. This enables the Company to participate across both the product and execution components of the paint value chain.

The execution-led nature of the Company's business is reflected in its revenue and operating profile. In Fiscal 2026, revenue from Turnkey Paint Projects was Rs 3,198.23 million, representing 91.25% of revenue from operations of Rs 3,505.04 million. During the year, the Company completed 49 projects, while its order book stood at Rs 10,528.51 million as at the end of Fiscal 2026. These indicators demonstrate that project execution constitutes a substantial component of the Company's business rather than an ancillary service supporting paint-product sales.

The following stages describe how an integrated provider participates across the paint value chain, from the procurement of manufacturing inputs to project completion and post-application support.

1. Raw materials and inputs: The integrated paint project value chain begins with the sourcing of raw materials and inputs required for paint manufacturing, including resins and binders, pigments, solvents, additives, fillers, hardeners and packaging materials. Raw material suppliers, chemical manufacturers and packaging suppliers are the key participants at this stage, while procurement, formulation and quality assurance teams of paint manufacturers are responsible for evaluating the quality, suitability and consistency of such inputs. The composition and quality of raw materials influence the key characteristics of the finished paint product, including adhesion, coverage, opacity, colour consistency, drying time, flexibility, finish, resistance to moisture and chemicals and overall durability.

Raw materials are selected based on the intended application, substrate and required product performance. Decorative, protective and functional paint systems require different combinations of resins, pigments and additives depending on their application on masonry, concrete, metal, wood or other surfaces. Consistency in sourcing and testing is therefore important for maintaining product quality across manufacturing batches and project locations. Availability and timely procurement of raw materials are also important for ensuring that production schedules remain aligned with project-level material requirements.

2. Paint manufacturing and formulation: The sourced raw materials are processed and formulated into finished paint products through activities such as product development, batching, mixing, dispersion, milling, tinting, filtration, filling and packaging. Paint manufacturers, supported by their research and development, production, technical service and quality assurance teams, are the key participants at this stage. Quality testing is undertaken across parameters such as colour, shade consistency, viscosity, drying time, coverage, adhesion, flexibility, finish and film performance to ensure that the finished product meets the required technical and performance specifications.

In an integrated manufacturing-plus-application model, information obtained from a project site, including the nature of the substrate, existing surface condition, environmental exposure, intended finish and proposed application method, can be considered during product selection and project planning. This enables the manufacturer's formulation and technical capabilities to be connected with project-specific application requirements instead of treating paint supply and project execution as independent activities.

The integrated model also facilitates the flow of information from the project site to the manufacturer's technical, quality and product development teams. Feedback relating to product coverage, ease of application, drying time, compatibility with the underlying surface and final finish can support product selection, formulation improvements, application processes and applicator training for subsequent projects.

3. Distribution and logistics: Finished paint products are stored, managed and transported to customers or project locations through a distribution and logistics network comprising warehouses, distributors, stockists and transport service providers. The key activities undertaken at this stage include production planning, order processing, batch allocation, warehousing, inventory management, transportation, delivery scheduling and verification of materials received at the project site.

Distribution under an integrated project differs from conventional retail distribution as material supply must be aligned with site readiness, project schedules, workforce deployment and the sequence of application. Materials may be delivered in phases depending on the progress of the project and availability of work areas. Delayed supply can affect labour deployment and project timelines, while premature or excess delivery can result in storage constraints, handling risks and higher site-level inventory.

Integrated project execution may also involve material planning, site-level issuance, consumption monitoring and reconciliation. Paint products can be tracked by quantity, shade and manufacturing batch, while unused materials can be identified and reconciled at different stages of a project. Such monitoring enhances visibility over material availability and consumption across individual project locations.

Digital systems are increasingly being adopted across the paint industry to support customer engagement, order processing, material planning, supply coordination, project monitoring and customer updates. Within an integrated paint project, such systems can also support phased material delivery, tracking of site-level consumption, workforce deployment, progress reporting and coordination across multiple project locations. The integration of manufacturing, logistics and project-execution information can provide greater visibility across the project lifecycle and support timely operational decision-making.

4. Project planning and preparation: Project planning and preparation begin with an assessment of customer requirements and a detailed evaluation of the conditions prevailing at the relevant project site. The scope of such assessment varies depending on whether a project relates to residential properties, housing societies, commercial premises, real estate developments, institutional buildings, industrial facilities, infrastructure assets or other large painting projects.

Key activities at this stage include measurement of the application area, identification of the underlying substrate, assessment of the existing surface, evaluation of moisture, cracks, corrosion and contaminants and understanding the required colour, texture, finish, durability and completion schedule. Organised painting services increasingly incorporate site inspection, technical evaluation, product consultation, colour consultation and estimation as part of the customer engagement process.

Based on the site assessment, the project team identifies the appropriate paint system, surface preparation methodology, application sequence, estimated material consumption, workforce requirements and equipment requirements. Project planning also includes preparation of estimates, schedules, mobilisation plans and material delivery plans and allocation of responsibilities among the customer, integrated paint solutions provider and other project participants.

For large and complex projects, planning may be more detailed due to the scale of execution, phased availability of work areas, coordination with civil and other contractors, customer reporting requirements and applicable health and safety procedures. Work may be carried out at an operational facility or across multiple project locations, requiring site-specific planning and centralised coordination. The ability to jointly plan material and application requirements distinguishes an integrated paint project from arrangements under which customers separately procure paint and appoint painters or application contractors.

Project preparation also includes mobilisation of the application workforce, site supervisors and required equipment. Paint application is labour- and supervision-intensive and requires allocation of painters and applicators based on project size, substrate, selected product and proposed completion schedule. Application teams may require product-specific and process-specific training, site induction and safety training, together with access to mechanised sanding and spraying equipment, ladders, scaffolding and personal protective equipment.

The availability of trained applicators and the ability to deploy and supervise application teams across multiple locations are important requirements for integrated project execution. The Construction Skill Development Council of India maintains an NSQF-aligned qualification for Construction Painter and Decorator, which treats construction painting as an occupation requiring defined technical skills, tools, training and assessment. The development of formal occupational standards, trained applicator networks and mechanised application tools reflects the gradual formalisation of paint application services.

5. Surface preparation and application: Surface preparation is undertaken based on the condition of the underlying surface and the requirements of the selected paint system. Key activities include cleaning, removal of dust and loose material, removal or treatment of defective existing coatings, treatment of cracks, moisture or corrosion, sanding, levelling, masking and application of preparatory coats. The quality of surface preparation is important for paint adhesion, appearance, coverage and durability and can materially affect the performance of the finished paint system.

Following surface preparation, the selected paint system is applied through primers, putty, base coats and top coats, as applicable. Paint may be applied using brushes, rollers, spraying systems or other mechanised equipment depending on the substrate, project scale, product and finish requirements. Application teams are required to comply with prescribed mixing and dilution ratios, coverage requirements, application sequences and drying or recoating intervals.

Site supervision and quality control are undertaken throughout the surface preparation and application stages. Key activities include inspection of prepared surfaces, verification of paint products and batches, monitoring of mixing and dilution, assessment of coverage and finish, identification of application defects and monitoring of adherence to project schedules. Site supervisors may also track workforce deployment, productivity, material consumption and compliance with applicable health and safety procedures.

Organised paint manufacturers, including Asian Paints Limited, Berger Paints India Limited, Kansai Nerolac Paints Limited, Nippon Paint (India) Private Limited and JSW Paints Limited, have developed painting or application-related service offerings. The scope of these offerings varies across participants and includes applicator referral, supervised painting services and managed project execution. Integrated paint solutions providers are differentiated by their ability to combine paint products with project planning, material coordination, workforce mobilisation, site execution, supervision and quality control within a coordinated project framework.

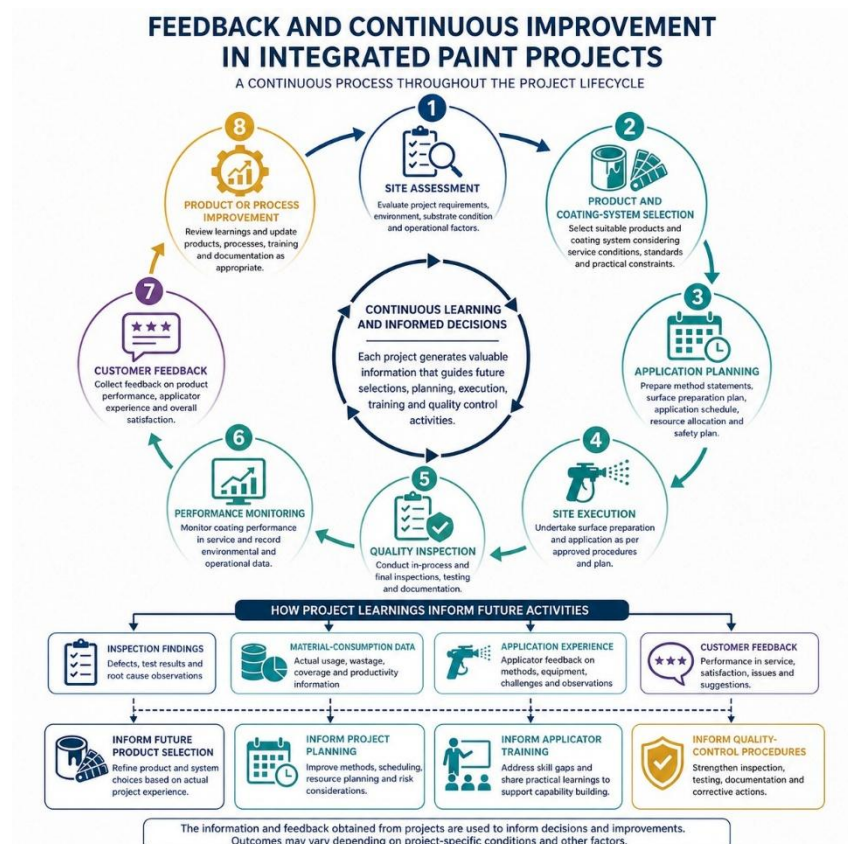
6. Inspection, completion and after-sales service: The final stage of the integrated paint project value chain includes inspection of completed work, preparation of snag lists, touch-ups, defect rectification, cleaning of the work area, reconciliation of unused materials, customer acceptance and project handover. Large projects may also require submission of measurement records, inspection reports, quality documents, project photographs and customer signoffs.

Post-application support may include product warranties, workmanship or service warranties, maintenance guidance, defect rectification and future repainting or recoating support. An integrated provider participating in both product supply and application can examine issues across product selection, material supply, site conditions and application practices.

This provides a coordinated framework for completion and post-application support compared with arrangements where responsibility is divided among the manufacturer, distributor and independent application contractor.

Overall, the integrated paint project value chain connects paint manufacturing and technical capabilities with project planning, material management, labour mobilisation, application execution, supervision and quality control.

Figure 33: Impact of Feedback and Improvements In Paint Projects



Source: Industry, Crisil Intelligence

Information generated during project execution can support subsequent product and process improvements. Inspection findings can inform future product and coating-system selection, while material-consumption data can support quantity estimation, project scheduling and resource planning. Application experience can be incorporated into applicator training and method statements, while customer feedback can support improvements in service delivery, quality-control procedures and post-application support.

Integrated Paint Projects as Distinguished Services

Paint manufacturing and paint application have historically been undertaken by different participants in the value chain. Paint manufacturers primarily focused on product formulation, manufacturing, distribution and brand development, while customers separately engaged painters or contractors for surface preparation and application. Under this model, customers were required to coordinate product procurement, material availability, workforce deployment, application schedules, site supervision, quality control and rectification across multiple participants.

Organised painting services have expanded across the industry to include site assessment, product and colour consultation, formal quotations, trained applicators, mechanised application, site supervision, project monitoring, cleaning and post-application support. The industry has therefore evolved from a predominantly product-centric and contractor-led structure towards more organised and coordinated service models.

Painting service offerings currently include a range of operating structures. Certain offerings facilitate access to independent painters or application contractors, while others include supervision, material coordination and project management. Integrated paint projects involve a wider scope of activities by combining paint products with project planning, material supply, skilled labour mobilisation, application, supervision, quality control and completion support within a coordinated engagement.

Figure 34: Comparison of Paint Supply and Application Service Models

Responsibility Area	Product-Only Supply	Contractor Referral	Supervised Painting Service	Integrated Paint Project
 Paint Products	●	●	●	●
 Site Assessment	◐	◐	●	●
 Material Planning	◐	◐	●	●
 Labour Mobilisation	◐	●	●	●
 Customer Contract for Application	✗	✗	◐	●
 Project Scheduling	◐	◐	●	●
 Site Supervision	✗	◐	●	●
 Quality Control	◐	◐	●	●
 Workmanship Responsibility	✗	✗	◐	●
 Defect Rectification	✗	◐	◐	●
 Final Applied Outcome	◐	◐	●	●
 Maintenance	✗	◐	◐	●
	● Generally Included	◐ Partially Included	◐ Contract-Dependent	✗ Generally Not Included

Source: Industry, Crisil Intelligence

The integrated model provides customers with an end-to-end solution covering paint products and application services and reduces the requirement to separately appoint and coordinate material suppliers, application contractors, labour teams and supervisors. It also enables material availability to be aligned with project schedules, product selection to reflect site conditions and quality control to be undertaken across product and application activities.

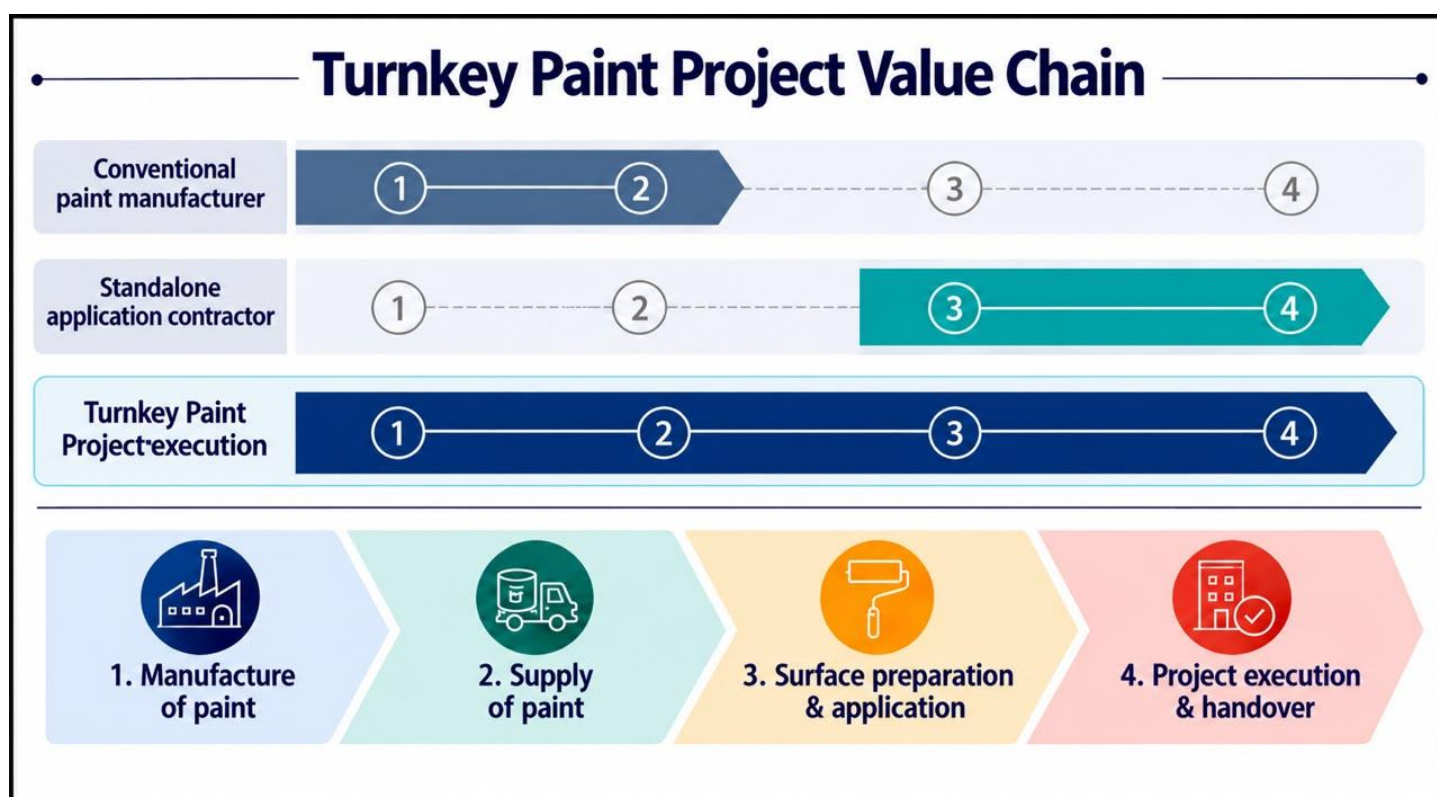
The model enables greater control over product selection, surface preparation, application quality, project timelines and overall finish, while reducing coordination requirements for customers. Such an integrated model is relatively less common among organised paint manufacturers, as it requires capabilities beyond manufacturing, including the development and management of a skilled application workforce, project-level execution expertise, site supervision, quality control and the ability to manage the operational and commercial complexities associated with project-based services, making it difficult to replicate. The model is particularly suited to institutional and B2B customers, including builders, developers, industrial customers and government organisations, where projects typically involve large surface

areas, defined technical specifications, stringent timelines and a preference for single-point accountability. By offering both product and application under a unified engagement, the model can simplify procurement and project management for customers while providing greater consistency between the specified coating system and its on-site application.

The integrated model is relevant across customer categories and end-use segments. Residential customers and housing societies can access site consultation, material supply, trained painters and supervised execution through a coordinated engagement. Real estate developers, commercial establishments and institutional customers can use integrated services for larger and more structured painting requirements. Industrial and infrastructure customers can benefit from coordinated material planning, workforce mobilisation, application supervision and compliance with project-level quality and safety procedures.

Structural Barriers and Operational Complexity

Figure 35: Flow of Turnkey Paint Project Value Chain



Source: Industry, Crisil Intelligence

The integration of paint manufacturing and application requires capabilities that extend beyond traditional paint manufacturing and distribution. Paint manufacturing requires product formulation, raw material procurement, production, testing and quality assurance, while project execution requires site assessment, estimation, material planning, labour mobilisation, equipment deployment, supervision, quality control and completion management.

Execution capabilities are a key differentiator in the integrated paint supply and application market, where providers are required to manage both product supply and on-site project delivery. Timely material availability, efficient manpower mobilisation, effective site supervision and consistent quality control are critical to completing projects within agreed timelines and performance standards.

The operating infrastructure required to develop such execution capabilities creates meaningful barriers to entry. Building contractor relationships, trained labour networks, site-level operating processes, project management systems and quality

assurance protocols require significant time, experience and investment. As a result, integrated providers with established execution infrastructure are better positioned to serve institutional and B2B customers seeking coordinated delivery, reliability and single-point accountability.

The integrated manufacturing-plus-application model has high structural barriers as it requires capabilities beyond traditional paint manufacturing, including product formulation, skilled labour mobilisation, site supervision, material coordination and quality control. Managing trained application teams across multiple project sites adds operational complexity, particularly given varying site conditions, timelines and customer requirements.

The complexity of the integrated model increases with the number of projects being executed concurrently, geographic dispersion of project locations, diversity of substrates and customer requirements and the timelines available for project completion. Each project may have different surface conditions, site-access requirements, safety procedures, labour requirements and dependencies on other project participants. Integrated providers are therefore required to maintain project management systems, trained application networks, site-level supervisory capabilities and processes for material tracking, inspection and rectification.

The operating model also involves management of risks relating to site readiness, workforce availability, material supply, variations in surface conditions, project delays, wastage, rework, safety compliance and warranty obligations. The ability to manage these requirements across multiple projects depends on standard operating procedures, workforce and contractor relationships, technical expertise and coordination among manufacturing, logistics and project-execution teams.

Commercial Rationale and Customer Proposition

Integrated paint supply and application offerings enable paint manufacturers to capture a larger share of the project value chain and are attractive to institutional and B2B customers seeking coordinated execution, quality consistency and single-point accountability.

A product-only paint manufacturer principally participates in the manufacture and sale of paint products. An integrated provider participates across a wider range of activities, including technical assessment, project planning, material supply, workforce mobilisation, application, supervision, quality control and post-application support. This wider participation provides greater visibility over customer requirements, site-level material consumption, application performance and project completion.

Paint application projects may form part of wider construction, renovation, refurbishment, manufacturing or maintenance programmes across residential, commercial, institutional, industrial and infrastructure end-use segments. Customers may require adherence to defined product and application specifications, predictable material availability, coordinated workforce deployment, supervision, progress reporting, inspection and timely rectification. The integrated model enables these requirements to be managed through a coordinated project framework while providing customers with a single or principal point of engagement across paint supply and application.

Dependence of Paint Solutions Business on Demand across Key End-use Sectors

Demand for paint products and Turnkey Paint Projects is influenced by the level of construction, development, renovation, repainting and maintenance activity across various end-use sectors, including residential and commercial real estate, infrastructure, industrial, hospitality, healthcare, education, government and other institutional sectors. Demand in these sectors may, in turn, be affected by factors such as economic conditions, availability and cost of financing, construction and development activity, government and private sector capital expenditure and renovation and maintenance spending. Demand for Turnkey Paint Projects in the private residential segment is dependent on factors such as the pace of new residential construction and project completions, availability and cost of home-loan financing for homebuyers, developer liquidity and construction financing, consumer sentiment and affordability and the timing of possession and handover of residential units, which determines the commencement of finishing works, including painting. Demand for Turnkey Paint

Projects relating to government-funded housing programmes is similarly dependent on government budgetary allocations, policy priorities and procurement and disbursement timelines, which may differ from the factors affecting private residential real estate.

Demand for Turnkey Paint Projects in institutional, commercial and other end-use sectors is dependent on factors such as the level of commercial and institutional construction activity, corporate and government capital expenditure, business and consumer confidence and overall macroeconomic conditions, including interest rates, inflation and economic growth. These factors may affect the pace at which projects are developed, completed and handed over for finishing works, including painting.

Demand Drivers for Paint Products Sold through Direct and Retail Distribution Channels

Demand for paint products sold through direct sales and retail distribution channels, including franchisee- and/or revenue partner-led models, is influenced by residential construction and renovation activity, consumer sentiment and discretionary spending, repainting and maintenance cycles, product availability and the reach and effectiveness of distribution channels. The ability of franchisees and/or revenue partners to maintain local market presence, customer relationships and product availability can also influence demand generation and sales volumes in the markets in which they operate.

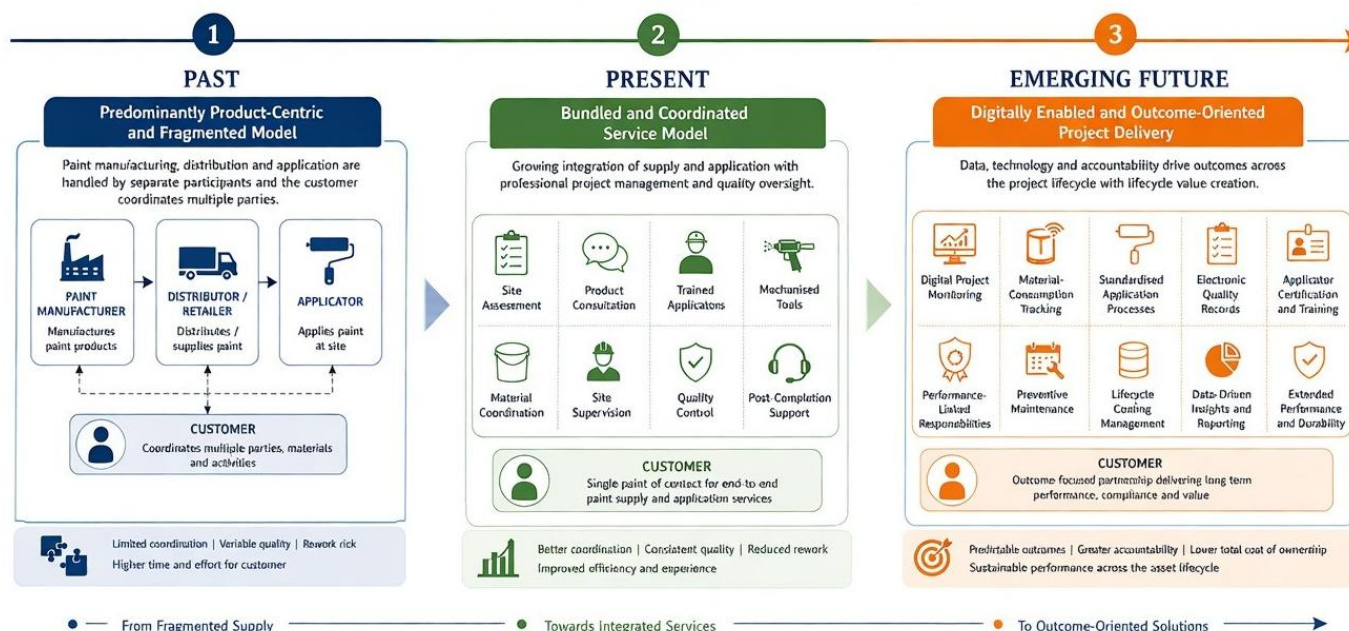
Complementing its direct execution model, the partner-led and franchisee distribution strategy provides an additional route to scale its presence across regional markets.

Partner-led and franchisee distribution models enable paint manufacturers to expand geographic coverage and deepen market penetration by leveraging the local market knowledge, customer relationships and distribution networks of regional partners. These models support faster entry into new markets and improve access to institutional, contractor and retail customer segments without requiring significant investment in company-owned sales and distribution infrastructure.

By combining centralised manufacturing and brand and product capabilities with localised business development and execution support, paint manufacturers can scale operations more efficiently across diverse regional markets. This approach allows companies to maintain a relatively asset-light expansion model while improving responsiveness to local demand, customer preferences and project opportunities.

Transformation and Future Evolution of the Industry

Figure 36: Evolution of Paint Supply and Application Services



Source: Industry, Crisil Intelligence

The paint industry is witnessing a gradual shift from a predominantly product-focused model towards broader product and application solutions. Organised participants are increasingly expanding their engagement beyond paint manufacturing and distribution by offering site consultation, applicator support, project supervision, mechanised application, digital project updates and post-application services. These developments reflect the increasing integration of paint products, application activities and project-level services across the value chain.

The historical model was predominantly characterised by fragmented product supply and application, under which paint manufacturers, distributors and applicators performed separate activities and customers coordinated material and labour requirements across multiple participants. The present model is increasingly characterised by bundled and coordinated services incorporating site assessment, product consultation, trained applicators, mechanised tools, material coordination, supervision, quality control and post-completion support.

Technology is also becoming increasingly important across service delivery, material planning and project monitoring. Digital systems can support project scheduling, material-consumption tracking, workforce deployment, customer updates, quality records and project-completion documentation. Greater visibility across these activities enables providers to coordinate the requirements of multiple customers and project locations.

The development of structured painter training, application-specific tools, standard operating procedures and site-level supervision is contributing to greater formalisation. Mechanised preparation and application can improve the consistency of execution and support completion of painting activities across projects involving large surface areas. Standardised inspection and documentation can provide greater transparency in relation to progress, quality checks and project completion.

Further, the increasing formalisation of the paint and allied services sector may create opportunities for collaboration with domestic and international product and technology partners. Such partnerships could support the introduction of advanced coating solutions, the adoption of sustainable manufacturing practices and access to global technical expertise, thereby helping providers maintain a competitive position in the evolving Indian market.

Demand for organized, end-to-end paint supply and application solutions is expected to be supported by increasing project scale, urbanization, formalization of painting services and customers' growing preference for coordinated execution.

Continued growth in construction, infrastructure, housing, commercial facilities and the overall built environment is expected to increase the underlying base of properties and assets requiring painting, maintenance and repainting services. The Government of India's Economic Survey reported that Union Government capital expenditure across major infrastructure sectors increased at a trend rate of 38.8% between FY2020 and FY2024.²⁰ The Ministry of Housing and Urban Affairs also reports substantial project activity under the Smart Cities Mission, AMRUT and PMAY-Urban, together with more than 1.59 lakh projects²¹ registered under RERA.

Going forward, integrated paint projects are expected to adopt greater standardisation, mechanisation and digital monitoring. Digital systems can support project scheduling, centralised deployment of application teams, material-consumption tracking, electronic inspection records and completion documentation. Mechanised surface preparation and application can support consistency and productivity, while applicator training and certification can support adherence to prescribed product and execution processes.

The industry is also expected to witness greater emphasis on low-VOC and water-based paint systems, application safety, waste management and formal quality documentation. Integrated providers may progressively extend their participation beyond initial application to periodic inspection, preventive maintenance, repainting and lifecycle support. These developments are expected to further strengthen the transition from standalone paint supply towards coordinated and project-based paint solutions.

The emerging model is expected to be increasingly outcome-oriented, supported by documented project execution, greater traceability of materials, standardised application procedures, quality records and clearly defined post-completion responsibilities. This transition is expected to increase the importance of providers capable of combining manufacturing, application and project-management capabilities within a single operating model.

The integrated paint project value chain combines paint manufacturing capabilities with project planning, material coordination, skilled workforce mobilization, surface preparation, application, supervision, quality control and post-application support. Integration enables product selection and material supply to be coordinated with site conditions and application requirements while reducing the number of separate participants required to be managed by customers.

The industry has progressively developed from predominantly fragmented paint supply and contractor-led application arrangements towards more organised and comprehensive painting services. The level of integration varies across providers, with certain participants facilitating access to applicators and others undertaking wider responsibility for material supply, project execution, supervision and quality control.

Against this background, Technopaints and Chemicals Limited's integrated manufacturing-plus-application model enables it to participate across a wider portion of the project value chain and address the requirements of customers seeking coordinated execution, quality consistency and single-point accountability.

²⁰ Union Budget FY 2025-26, Ministry of Finance

²¹ Ministry of Housing and Urban Affairs

Competition Benchmarking

Operational Benchmarking

Technopaints and Chemicals Limited is engaged in the manufacture and sale of paints and coatings and also provides paint-application services. It is one of the few organized integrated paint solutions providers in India that offers both paint products and application services.

Technopaints and Chemicals Limited is among the few organized paint companies in India with a reportable order book, owing to its differentiated integrated B2B project-based model, unlike most other organized paint companies, which primarily follow a B2C distribution-led model. As at July 31, 2026, the Company had an Order Book of Rs 9,946.85 million. As at March 31, 2026, the Company had an Order Book of Rs 10,528.51 million, as compared to Rs 6,129.23 million as at March 31, 2025 and Rs 5,215.90 million as at March 31, 2024. In addition to the sale of paint products, it undertakes painting and coating projects through its integrated supply and apply model, under which it provides end-to-end solutions encompassing site assessment, product selection, surface preparation, paint application, project management and final inspection. This provides the Company with revenue visibility over the next 2-3 years, given that project execution timelines typically span this period.

Technopaints and Chemicals Limited is one of the key organized integrated paint solutions providers in India, in terms of revenue from turnkey paint projects for Fiscal 2026 and the number of turnkey paint projects completed since April 1, 2016 and as at July 31, 2026, with revenue from turnkey paint projects in Fiscal 2026 standing at Rs 3,198.23 million and 1,196 turnkey paint projects completed as at July 31, 2026, corresponding to a total painted area of 1,474.98 million square feet.

The Company's expertise in executing large-scale, complex turnkey projects is exemplified by its involvement in marquee developments such as SAS Crown. SAS Crown, located in Kokapet, Hyderabad, Telangana, is the tallest residential tower in Southern India in terms of height, standing at 244 metres and comprising G+59 floors.

Technopaints and Chemicals Limited has established a strong presence in the Southern Indian market, with Telangana serving as a key regional anchor and as a foundation of the company's growth. As of July 31, 2026, the company had completed 982 projects in Telangana, representing ~82% of its 1,196 completed projects over 1375 million sq. ft. of the ~1450 million sq. ft. total painted area was delivered in the state. The scale of execution highlights the company's deep regional relationships, established local execution network and strong brand presence in its core Southern markets.

The company combine paint manufacturing and supply with project planning, material coordination and application services under an integrated project-delivery framework. By undertaking both product supply and site execution, the Company reduces coordination gaps between the paint supplier and application team, provides customers with a single or principal point of responsibility across the project lifecycle, and is able to cater to a larger overall contract value.

Considering the Company's presence across the paints and coatings value chain through its manufacturing operations, diversified product portfolio and integrated paint-application services, the peer-set has been identified based on similarities in product offerings, end-user segments served and service capabilities.

Table 28: Brief profile for the peer-set companies - product portfolio

Company	Decorative Paints	Industrial / Protective Coatings	Automotive Coatings	Powder Paints	Waterproofing & Construction Solutions	Paint Application Services
Technopaints and Chemicals Limited						
Asian Paints Limited						

Berger Paints India Limited						
Kansai Nerolac Paints Limited						
JSW Dulux Limited						
Indigo Paints Limited						
JSW Paints Limited						
Nippon Paint (India) Private Limited						

Source: Crisil Intelligence, Industry

- Emulsions, Primers and Enamels are construed as Liquid paints, which are all measured in KL.
- Putties and Textures are construed as Powder Paints, which are all measured in MT.

Table 29: Peer-set companies' operational capabilities (figures as of March 31st, 2026)

Parameter	Units	Technopaints and Chemicals Limited	Asian Paints Ltd	Berger Paints India Ltd	Kansai Nerolac Paints Ltd	Akzo Nobel India Ltd (JSW Dulux)	Indigo Paints Ltd	JSW Paints Limited	Nippon Paint (India) Private Limited
Operational KPIs									
Manufacturing plants	Nos	2	10	15	9	5	6	2	5
Installed capacity - total	KL / MT p.a.	126,095.00	2,290,000.00	1,400,000.00	691,600.00	300,000.00	448,000.00	170,000.00	NA
Installed capacity - liquid paints	KLPA	22,199.00	NA	NA	NA	NA	172,000.00	NA	NA
Installed capacity - powder paints	MTPA	103,896.00	NA	NA	NA	NA	276,000.00	NA	NA
Total production volume	KLPA	6,122.59	NA	NA	NA	NA	NA	NA	NA
Total production volume	MTPA	67,980.02	NA	NA	NA	NA	NA	NA	NA
Number of SKUs	Nos	886	NA	NA	NA	NA	NA	NA	NA
Number of Franchise Stores	Nos	25	74	NA	NA	NA	16	NA	NA
Order Book value	₹ in million	10,528.51	NA	NA	NA	NA	NA	NA	NA
Number of projects completed during the year	Nos	49	NA	NA	NA	NA	NA	NA	NA

Source: Crisil Intelligence, Industry

NA: Not available

Technopaints and Chemicals Limited is one of the leading integrated paint solutions providers in India in the organised space, combining in-house paint manufacturing with on-site application and project execution.

The company has differentiated itself through its unique supply and apply end-to-end painting model, which strengthens service-led value addition and supports margin improvement.

The paint industry is undergoing a transition towards greater formalisation, with organised players increasingly expanding into Tier 2 and Tier 3 markets, strengthening their presence in regions traditionally dominated by unorganised players;

Technopaints and Chemical Limited is well positioned to benefit from this transition, given its established presence in Southern India and regional distribution network comprising franchisees and revenue partners, supported by its understanding of regional markets, customer relationships and presence across Tier 2 and Tier 3 locations, enabling it to address incremental demand as customers increasingly shift towards organised paint products and application services.

Technopaints and Chemicals Limited has progressively evolved its business model, expanding its capabilities and customer relationships across project execution, application services and branded paint products. It followed a different sequence by first building customer relationships and execution credentials through turnkey paint projects and is now seeking to expand branded product sales using the recognition developed through completed projects. This represents an extension of the existing business model rather than a change in strategic direction.

Technopaints and Chemicals Limited's integrated manufacturing-plus-application model differentiates it from conventional paint manufacturers that primarily focus on product manufacturing and distribution, by combining in-house paint manufacturing with end-to-end project execution and on-site application capabilities.

It operates in the execution layer through its integrated supply and apply model, which combines in-house paint manufacturing with paint application and turnkey project delivery. The model is designed to address requirements that extend beyond product supply, including site assessment, product selection, material coordination, skilled workforce mobilisation, surface preparation, application, supervision, inspection and project completion. Accordingly, the Company's operating model is more appropriately assessed against the organised paint application opportunity and integrated project-delivery models than solely against the absolute scale of large product-led paint manufacturers.

While Technopaints and Chemicals Limited competes with national and regional paint manufacturers in the manufacture and sale of its paint products, it faces competition from a relatively limited number of organised players offering comparable integrated paint supply and application solutions for its Turnkey Paint Projects.

Financial benchmarking

For the purpose of financial benchmarking, Technopaints and Chemicals Limited has been compared with a selected peer-set comprising Asian Paints Limited, Berger Paints India Limited, Kansai Nerolac Paints Limited, JSW Dulux Limited, Indigo Paints Limited, JSW Paints Limited and Nippon Paint (India) Private Limited. These companies have been selected based on their presence in the Indian paints and coatings industry and paints application industry, product portfolio, operating scale and market participation, and provide a relevant basis for comparison of the Company's operational and financial performance.

Table 30: Peer-set comparison on Revenue from Operations and Revenue growth

Particulars	Revenue from Operations (Rs million)			Revenue from operations growth (%)		CAGR (%)
	FY2024	FY2025	FY2026	FY2025	FY2026	
Companies						
Asian Paints Limited	354,947.30	339,056.20	355,835.40	-4.48%	4.95%	0.13%
Berger Paints India Limited	111,989.20	115,447.10	118,802.50	3.09%	2.91%	3.00%
Kansai Nerolac Paints Limited	78,014.40	78,229.70	80,519.10	0.28%	2.93%	1.59%
JSW Dulux Limited	39,616.00	40,693.00	35,992.00	2.72%	-11.55%	-4.68%
Nippon Paint (India) Private Limited	23,719.50	22,901.80	22,769.30	-3.45%	-0.58%	-2.02%
JSW Paints Limited	20,973.10	21,549.70	N/A	2.75%	N/A	N/A
Indigo Paints Limited	13,060.86	13,406.73	14,050.17	2.65%	4.80%	3.72%
Technopaints and Chemicals Limited	1,358.78	2,080.95	3,505.04	53.15%	68.43%	60.61%

Source: Company financials, Crisil Intelligence

N/A: Not Available

Technopaints and Chemicals Limited was the fastest-growing company among its peer set in terms of revenue from operations between Fiscal 2024 to Fiscal 2026, with revenue from operations increasing from Rs. 1,358.78 million in Fiscal 2024 to Rs. 3,505.04 million in Fiscal 2026, representing a CAGR of 60.61%.

Table 31: Peer-set comparison on Gross Profit and Gross profit margin

Particulars	Gross Profit (Rs million)			Gross Profit margin (%)			CAGR (%)
Companies	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY24-26
Asian Paints Limited	154,045.20	143,898.40	155,817.60	43.40%	42.44%	43.79%	0.57%
Berger Paints India Limited	45,529.20	47,827.80	50,529.90	40.65%	41.43%	42.53%	5.35%
Kansai Nerolac Paints Limited	27,573.30	27,536.50	28,553.10	35.34%	35.20%	35.46%	1.76%
JSW Dulux Limited	17,388.00	17,513.00	14,904.00	43.89%	43.04%	41.41%	-7.42%
Nippon Paint (India) Private Limited	8,423.80	8,220.90	8,727.40	35.51%	35.90%	38.33%	1.79%
JSW Paints Limited	7,631.10	7,950.70	N/A	31.39%	36.89%	N/A	N/A
Indigo Paints Limited	6,221.51	6,170.06	6,535.87	47.63%	46.02%	46.52%	2.50%
Technopaints and Chemicals Limited	458.09	622.02	986.90	33.71%	29.89%	28.16%	46.78%

Source: Company financials, Crisil Intelligence

N/A: Not Available

Technopaints and Chemicals Limited's gross profit increased from Rs. 458.09 million in fiscal 2024 to Rs. 986.90 million in fiscal 2026. It registered the highest growing CAGR of 46.78% over fiscals 2024-2026 among the given peerset. However, gross profit margin moderated from 33.71% to 28.16% during the period. In fiscal 2026, the Company's gross profit margin of 28.16% was lower than that of all peer-set companies, which ranged from 35.46% for Kansai Nerolac Paints Limited to 46.52% for Indigo Paints Limited.

Table 32: Peer-set comparison on EBITDA, EBITDA margin, EBITDA growth and EBITDA CAGR

Particulars	EBITDA (Rs million)			EBITDA margin (%)			CAGR (%)
Companies	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY24-26
Asian Paints Limited	75,849.80	60,062.10	66,959.20	21.37%	17.71%	18.82%	-6.04%
Berger Paints India Limited	18,613.20	18,560.90	18,333.00	16.62%	16.08%	15.43%	-0.76%
Kansai Nerolac Paints Limited	10,277.50	9,423.20	9,746.00	13.17%	12.05%	12.10%	-2.62%
JSW Dulux Limited	6,320.00	6,415.00	5,085.00	15.95%	15.76%	14.13%	-10.30%
Nippon Paint (India) Private Limited	1,135.10	768.00	1,197.10	4.79%	3.35%	5.26%	2.69%
JSW Paints Limited	637.90	-398.60	N/A	3.04%	-1.85%	N/A	N/A
Indigo Paints Limited	2,380.69	2,334.85	2,547.72	18.23%	17.42%	18.13%	3.45%
Technopaints and Chemicals Limited	220.21	341.73	602.46	16.21%	16.42%	17.19%	65.40%

Source: Company financials, Crisil Intelligence

Note: Company's gross profit margin was lower than its peer-set companies owing to its integrated business model, wherein painting service and application expenses are classified within cost of sales

N/A: Not Available

Technopaints and Chemicals Limited's was the fastest-growing company among its peer set in terms EBITDA margins over fiscals 2024-2026, increasing from Rs. 220.21 million in fiscal 2024 to Rs. 602.46 million in fiscal 2026, registering a CAGR of 65.40%.

The company's EBITDA margin also improved from 16.21% in fiscal 2024 to 17.19% in fiscal 2026. In fiscal 2026, the company reported the third-highest EBITDA margin among the peer-set companies with available data, at 17.19%, compared with 18.82% for Asian Paints Limited and 18.13% for Indigo Paints Limited.

The company's EBITDA margin of 16.21%, 16.42 % and 17.19 % in Fiscal 2024, Fiscal 2025 and Fiscal 2026, respectively, was significantly higher than the corresponding simple peer average of 13.31%, 11.50% and 13.98%, during the same period.

Table 33: Peer-set comparison on PAT, PAT margin, PAT growth, PAT CAGR

Particulars	PAT (Rs million)			PAT margin (%)			CAGR (%)
Companies	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY24-26
Asian Paints Limited	55,576.90	37,097.10	43,946.90	15.66%	10.94%	12.35%	-11.08%
Berger Paints India Limited	11,698.20	11,828.10	11,280.20	10.45%	10.25%	9.49%	-1.80%
Kansai Nerolac Paints Limited	11,758.60	11,093.30	5,758.40	15.07%	14.18%	7.15%	-30.02%
JSW Dulux Limited	4,266.00	4,295.00	19,738.00	10.77%	10.55%	54.84%	115.10%
Nippon Paint (India) Private Limited	681.30	497.20	770.10	2.87%	2.17%	3.38%	6.32%
JSW Paints Limited	-493.70	-1,195.99	N/A	-2.35%	-5.55%	N/A	N/A
Indigo Paints Limited	1,488.28	1,421.65	1,476.08	11.39%	10.60%	10.51%	-0.41%
Technopaints and Chemicals Limited	147.75	166.54	377.75	10.87%	8.00%	10.78%	59.90%

Source: Company financials, Crisil Intelligence

Note: The significantly higher PAT margin reported by JSW Dulux Limited in fiscal 2026 was influenced by acquisition-related and exceptional factors and should be viewed in that context. Overall, the Company demonstrated strong earnings growth and profitability improvement over the period under review, supported by expansion in scale and operating leverage.

N/A: Not Available

Technopaints and Chemicals Limited's profit after tax increased from Rs. 147.75 million in fiscal 2024 to Rs. 377.75 million in fiscal 2026, registering a CAGR of 59.90%, the second highest among peer-set. The Company's PAT margin declined from 10.87% in fiscal 2024 to 8.00% in fiscal 2025 before improving to 10.78% in fiscal 2026. The Company reported PAT growth of 126.82% in fiscal 2026, the highest among peer-set for which comparable fiscal 2026 data was available.

In fiscal 2026, the Company's PAT margin of 10.78% was the third highest among the peer-set companies with available data, after JSW Dulux Limited with 54.84% and Asian Paints Limited with 12.35%, and was higher than Indigo Paints Limited with 10.51%, Berger Paints India Limited with 9.49% and Kansai Nerolac Paints Limited with 7.15%.

Table 34: Peer-set comparison on ROE and ROCE (in %)

Particulars	Return on Equity (%)			Return on Capital Employed (%)		
Companies	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Asian Paints Limited	30.99%	18.79%	20.89%	36.06%	24.45%	24.33%
Berger Paints India Limited	23.65%	20.47%	17.23%	29.51%	26.42%	22.62%
Kansai Nerolac Paints Limited	23.15%	18.48%	8.80%	15.79%	11.87%	11.02%
JSW Dulux Limited	32.24%	32.29%	104.38%	42.60%	42.60%	33.03%
Nippon Paint (India) Private Limited	11.27%	7.49%	10.59%	16.41%	8.11%	13.63%
JSW Paints Limited	-11.02%	-21.47%	N/A	0.68%	-11.44%	N/A
Indigo Paints Limited	17.74%	14.71%	13.51%	23.08%	18.75%	18.29%
Technopaints and Chemicals Limited	64.54%	29.12%	34.25%	31.50%	28.66%	30.97%

Source: Company financials, Crisil Intelligence

Note: JSW Dulux Limited's fiscal 2026 ratios were influenced by exceptional and acquisition-related items, resulting in a return on equity of 104.38%, PAT margin of 54.84% and PAT growth of 359.56%, and therefore should be viewed in that context

N/A: Not Available

Technopaints and Chemicals Limited's return on equity stood at 34.25% in fiscal 2026, compared with 29.12% in fiscal 2025. The Company's ROE in fiscal 2026 was higher than the peer-set average of 29.23% and was the second highest among the peer set companies, after JSW Dulux Limited which stood at 104.38%.

Similarly, the Company's return on capital employed stood at 30.97% in fiscal 2026, compared with 28.66% in fiscal 2025. The Company's ROCE was higher than the peer-set average of 20.49% in fiscal 2026 and was the second highest among the peers considered, after JSW Dulux Limited which stood at 33.03%.

Table 35: Peer-set comparison on Net debt to operating EBITDA, Net Debt to Total Equity and Debt to Equity (in %)

Particulars	Net Debt to Operating EBITDA			Debt to Equity		
Companies	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Asian Paints Limited	0.00	0.01	0.18	0.06	0.05	0.11
Berger Paints India Limited	-0.11	-0.19	-0.09	0.05	0.03	0.03
Kansai Nerolac Paints Limited	0.12	0.13	-0.15	0.02	0.02	0.02
JSW Dulux Limited	-0.83	-0.47	-0.64	0.00	0.00	0.00
Nippon Paint (India) Private Limited	-2.06	-2.20	-2.01	N/A	N/A	N/A
JSW Paints Limited	9.18	-13.77	N/A	1.08	1.01	N/A
Indigo Paints Limited	-0.13	-0.13	-0.12	0.20	0.21	0.17
Technopaints and Chemicals Limited	2.13	1.07	0.06	1.80	0.71	0.73

Source: Company financials, Crisil Intelligence

N/A: Not Available

Technopaints and Chemicals Limited's net debt to operating EBITDA declined from 2.13 times in fiscal 2024 to 0.06 times in fiscal 2026. Debt to equity declined from 1.80 times in fiscal 2024 to 0.73 times in fiscal 2026.

Table 36: Peer-set comparison on Fixed asset turnover ratio, Inventory turnover ratio and Net working capital days

Particulars	Fixed Asset Turnover Ratio			Inventory Turnover Ratio			Net Working Capital Days		
Companies	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
Asian Paints Limited	6.09	4.54	4.00	5.85	5.36	5.71	93	93	113
Berger Paints India Limited	3.61	3.55	3.52	4.98	5.08	4.99	57	68	82
Kansai Nerolac Paints Limited	3.70	3.57	3.51	4.57	4.67	5.04	156	186	180
JSW Dulux Limited	7.69	8.12	7.66	6.55	6.69	6.12	-2	22	32
Nippon Paint (India) Private Limited	13.25	11.37	9.85	7.93	8.12	7.88	23	37	39
JSW Paints Limited	4.17	3.85	N/A	6.96	6.56	N/A	67	51	N/A
Indigo Paints Limited	3.42	2.58	2.69	9.06	8.27	8.47	86	99	107
Technopaints and Chemicals Limited	7.23	7.57	10.27	4.09	3.88	6.05	132	155	115

Source: Company financials, Crisil Intelligence

N/A: Not Available

Technopaints and Chemicals Limited's fixed asset turnover ratio increased from 7.23 times in fiscal 2024 to 10.27 times in fiscal 2026. The fixed asset turnover ratio in fiscal 2026, 10.27, for Technopaints and Chemicals Limited was significantly higher than the peer average of 5.21. While its inventory turnover ratio increased from 4.09 times to 6.05 times. Net working capital days increased from 132 days in fiscal 2024 to 155 days in fiscal 2025 before declining to 115 days in fiscal 2026.

Key threats and challenges

Key challenges are as follows:

- **High dependence on Turnkey Paint Projects:** Turnkey Paint Projects accounted for 91.25% of revenue from operations in FY2026. The model requires coordination across paint manufacturing, logistics, manpower, site-level application, quality control and project completion, making execution discipline critical to profitability.
- **Working-capital intensity and long collection cycles:** The business requires upfront expenditure on materials, mobilisation and project execution, while collections can depend on measurement, certification, approvals and

milestones. Trade receivable days were 214 days in FY2026, increasing the need for effective liquidity and working-capital management.

- **Execution of fixed-price projects:** Projects are generally undertaken at agreed contract values, exposing the company to the risk that actual raw-material, manpower, site or execution costs exceed initial estimates. Changes in scope or unforeseen site conditions may also increase project costs without a corresponding increase in contract value.
- **Scaling beyond the existing geographic concentration:** Technopaints and Chemicals Limited has historically been highly concentrated in Telangana. Expanding into additional states can require building local customer relationships, project-execution capabilities, manpower networks, supply-chain infrastructure and brand recognition.

Key threats are as follows:

- **Customer concentration:** The top 10 customers contributed 81.90% of revenue from operations in FY2026. The absence of long-term commitments for future projects means that loss or reduction of business from major customers could have a material impact on revenue visibility.
- **Government programme / tender dependence:** Government-related Turnkey Paint Projects represented 76.72% of Turnkey Paint Project revenue in FY2026. Changes in government priorities, budgets, tender conditions or project implementation timelines could affect the availability and timing of projects.
- **Telangana concentration:** 99.59% of Turnkey Paint Project revenue in FY2026 was generated in Telangana. Any adverse regional development, including changes in policy, regulation, economic activity, labour availability, logistics or project spending, could therefore have a disproportionate impact on the business.
- **Raw material and supply concentration:** The top 10 suppliers accounted for 61.46% of total purchases in FY2026, while the company does not have long-term agreements with suppliers. Disruption at key suppliers or increases in raw-material prices could affect production continuity, project costs and margins.

About Crisil Intelligence (formerly Market Intelligence & Analytics)

Crisil Intelligence is a leading provider of research, consulting, risk solutions and advanced data analytics, serving clients across government, private and public enterprises. We leverage our expertise in data-driven insights and strong benchmarking capabilities to help clients navigate complex external ecosystems, identify opportunities and mitigate risks. By combining cutting-edge analytics, machine learning and AI capabilities with deep industry knowledge, we empower our clients to make informed decisions, drive business growth and build resilient capacities.

For more information, visit Intelligence.Crisil.com

About Crisil

Crisil is a global, insights-driven analytics company. Our extraordinary domain expertise and analytical rigour help clients make mission-critical decisions with confidence.

Large and highly respected firms partner with us for the most reliable opinions on risk in India, and for uncovering powerful insights and turning risks into opportunities globally. We are integral to multiplying their opportunities and success.

Headquartered in India, Crisil is majority owned by S&P Global.

Founded in 1987 as India's first credit rating agency, our expertise today extends across businesses: Crisil Ratings, Crisil Intelligence, Crisil Coalition Greenwich and Crisil Integral IQ.

Crisil's global workforce operates in the Americas, Asia-Pacific, Europe, Australia and the Middle East, setting the standards by which industries are measured.

For more information, visit www.Crisil.com

Connect with us: [LinkedIn](#) | [Twitter](#)

Crisil Privacy

Crisil respects your privacy. We may use your personal information, such as your name, location, contact number and email id to fulfil your request, service your account and to provide you with additional information from Crisil. For further information on Crisil's privacy policy please visit <https://www.crisil.com/content/crisilcom/en/home/crisil-privacy-notice.html>

Handwritten signature

