

1.0 PREAMBLE:

1.1 The Department of Public Enterprises, Govt. of Karnataka has been implementing various programmes for improving the performance of State Public Enterprises in Karnataka. One such programme is facilitating performance improvement by engaging Expert Institutions for carrying out an Evaluation Study of the Unit and implementing their recommendations. In this context, a meeting was held on 4.3.2013 under the Chairmanship of Principal Secretary to Government, DPE and in the presence of Chief Evaluation Officer, Karnataka Evaluation Authority, Heads of selected PSEs and Heads of Consulting Institutions taking up the Evaluation study.

1.2 Subsequent to the Meeting, G.O. No. DPE 8/ARU/2013 dated 08.03.2013 was issued with the details of Units selected for the Evaluation Study and the corresponding Institution for taking up the Evaluation study. Accordingly, M/s Mysore Paints & Varnish Ltd., Bangalore was selected and assigned to the National Productivity Council, Bangalore.

2.0 BRIEF BACKGROUND OF THE COMPANY

- The company was established in 1937 by the Provincial government of Maharaja of Mysore. In 1947, the company was incorporated under the Government of Mysore as a Public Undertaking.
- The production capacity of the plant is 1120 MT which includes capacities of unused obsolete equipments.
- The present output (2011-12) is about 452 MT.
- The company employs about 81 persons which includes 61 permanent employees and 20 contract employees.
- The sales turnover of the company was Rs. 16.33 Crores in 2011-12 with a profit of Rs.1.316 Crores.

- The products manufactured are Industrial Paints (enamel, polyurethane, Epoxy, Aluminium oxide etc), thinners, Polishes, Primers etc and Indelible ink which contributes about 60% of the sales.
- The customers are KSRTC, Central and State government undertakings, Election Commission of India, etc.

3.0 ANALYSIS OF BUSINESS

3.1 The financial performance of the company is given below:

Year	Sales (in MT)	Sales (Rs. Crores)	Profit (Rs. Crores)
2007-08	491	8.95	1.41
2008-09	530	21.56	5.49
2009-10	501	17.60	2.33
2010-11	451	16.32	0.94
2011-12	452	16.33	1.91

3.2 The product wise sales details are given below: (in Rs. Crores)

Year	Product		Total
	Paints	Ink	
2007-08	3.93	5.01	8.95
2008-09	4.25	17.31	21.56
2009-10	5.25	12.34	17.60
2010-11	4.22	6.48	10.71
2011-12	6.55	9.78	16.33

The ink constitutes 60-70% of the total sales. The main customer for ink is the Election Commission of India. The requirement for ink will increase in the coming years with the increase in population. However, threat of EC procuring ink from private parties looms large over the company.

There is also a steady increase in the demand for Paints in the domestic market.

4.0 ISSUES FOR EVALUATION

4.1 Detailed study of production process with the objective of

- reducing manufacturing cycle time & cost
- improving quality
- elimination of waste by use of substitute raw materials.

4.2 Benchmarking of Star product in Paint category for

- Quality
- Price

with the best competitor in domestic market and identify areas for improvement.

4.3 Benchmarking of Ink product with Global suppliers for

- Quality & Variety
- Price

and identification of new markets like currency printing ink etc.

4.4 Feasibility analysis for production of Indelible Ink marker pens with specific focus on Technology & Equipment requirements.

4.5 Business Forecast and development of Business Strategy for next 5 years.

5.0 METHODOLOGY

5.1 Benchmarking with similar manufacturers in Private or Public Sector will be done. Primary data, wherever feasible and secondary data will be used for Benchmarking analysis.

5.2 Appropriate Management / Industrial Engineering techniques will be used by the NPC Consultants reducing cycle time, improving productivity & quality.

5.3 The available reports on new product development, material substitution etc. will be studied in detail. Also communication with research institution like NPL will be undertaken to get experts' perspectives.



Chief Evaluation Officer (J/c)
Karnataka Evaluation Authority
Bangalore-560001

2.0 **BRIEF BACKGROUND OF THE COMPANY**

- 1. The company was established in 1987 by the Government of Karnataka.
- 2. The company is engaged in the business of manufacturing and marketing of various types of machinery.
- 3. The registered office of the company is at Bangalore.
- 4. The company has a turnover of Rs. 1000 lakhs.
- 5. The company employs about 25 persons in its Bangalore office.
- 6. The total turnover of the company is Rs. 1000 lakhs.