

Pidilite bets on rising income, growth, urbanisation wave

By Nikita Periwal, ET Bureau | Last Updated: Sep 23, 2025, 11:08:00 AM IST

Synopsis

Pidilite Industries anticipates increased consumer spending on home improvement, driven by rising household incomes and reduced GST rates. The company expects to benefit from government initiatives like affordable housing and smart cities, fueling construction activities. Pidilite is focusing on expanding its presence in rural markets within the paints sector, leveraging its distribution network to generate demand.



Agencies

Pidilite Industries



Pidilite Industries will benefit from an uptick in consumer spending as funds find their way into home improvement over the next two-three years, said its managing director Sudhanshu Vats.

“As a discretionary category, Pidilite benefits from rising household incomes, which typically drive increased spending on home improvement,” he told ET in an

exclusive interview.

The government has reduced goods and services tax (GST) rates on a host of products, which is expected to spur consumption. While the company will see a direct benefit as some items in its art and crafts portfolio have moved to the 5% slab, from 12% earlier, the impact will be limited.

GST rates have also been cut on several home improvement products such as marble, stone and granite, and higher usage of these items could translate into a proportionate increase in items from the Fevicol maker's adhesive portfolio.

“If you're investing in premium furniture, tiles, marbles and stones, it's only natural to spend a little more on specialised Pidilite products to ensure they're fixed properly and last longer,” Vats said.

Over the longer run, the company expected to benefit from an increase in the total number of households and construction activities playing out, he said.

“With initiatives like the Pradhan Mantri Awas Yojana, smart cities and rapid urbanisation, we believe there's a strong runway in construction, one that will drive a broader positive impact for Pidilite,” Vats said.

Pidilite, which describes itself as a speciality chemicals company, has a portfolio comprising several popular brands such as Fevicol, Dr Fixit, Araldite and Roff, and joint ventures such as Grupo Puma, which deals with construction materials. It is also present in the paints business through its Haisha brand.

PAINTS

[Pidilite](#) was also one of the companies which had bid for [Akzo Nobel India](#), which was finally taken over by JSW Paints. “We have to get the right value and the right price, and for us, brand is an important piece,” Vats said.

The company is currently focusing on building a market and demand in the areas it is present in, and will take a call depending on how the market evolves. “In general, strength of the brand is an important aspect for Pidilite,” he said.

Among the newer players in the fast-growing paints market, Pidilite is focusing on the rural markets, which it believes are underserved. “We will use the strength of our distribution and our last mile,” Vats said, adding that the “urban slugfest” is not something that the company is currently considering.

When rural consumers talk about two or three brands, Pidilite should be one of them, Vats said. “As a company, we are not obsessed about numbers,” he said, adding that the company would look at generating demand rather than chasing market share.

GROWTH

Pidilite currently gets about a fifth of its turnover from businesses which were relatively small five years ago, including tile adhesives and wood finishes. “That’s the Pidilite way of doing things, the pioneering we do. So, in five years, I will again have a certain portfolio from newer products,” said the managing director.

While some of these products may enjoy very high profitability, some of it will be in the median range, while some will be slightly lower, which will effectively lead to an earnings before interest, tax, depreciation and amortisation margin band of 20-24% being maintained over the next five to 10 years, Vats said.

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