



“A STUDY ON PROSPECTS AND CHALLENGES EXPERIENCED BY MARBLE INDUSTRY IN THE UT OF DADRA & NAGAR HAVELI REGION”

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Abstract

This paper includes information about the prospects and challenges experienced by marble industry in India. Now day's marble is the industry which is increasing very rapidly in the Indian as well as international market. This paper shows in Silvassa (D&NH) region how marble companies are tackling other companies in market and what they are doing to be surviving in the market. For further study the researcher has made the cases of each company and 1 single case of R.K. Marble and by clubbing them compared it with R.K. Marble and after that Researcher come up with the one more final case, in this study Researcher has made total 5 cases. The study is intended to gather the factors that lead to prospects and challenges of marble industry. The research is conducted by adopting exploratory & descriptive research design with the help of primary and secondary data. In this research paper the Researcher has targeted the main 3 companies for study in Silvassa (Dadra and Nagar Haveli) region and Researcher has taken the personal interview of the BOD's in the companies and studied the R.K Marble (India's biggest and world biggest). India is the third largest producer of natural stones still the Indian industry holds less than 10% share in world market. India is one of the biggest country which supplies the white marble (most expensive marble) to all over world. The study on prospects and challenges experienced by marble industry is an attempt leading to be indicator to understand the future of marble industry.

Key Words: Marble Industry, Prospects of Marble Industry, Challenges In Marble Industry.

Introduction

“Opportunities to find deeper powers within ourselves come when life seems most challenging.”- Joseph Chmpbell
Marble is a metamorphic rock composed of recrystallized carbonate minerals, most commonly calcite or dolomite. Marble may be foliated. In in geology the term “marble” refers to metamorphosed limestone, but its use in stonemasonry more broadly encompasses un-metamorphosed limestone.

India is the third largest producer of natural stones still the Indian industry holds less than 10% share in world market. In spite of holding vast natural resources of stones and a pool of good craftsmen, the Indian stone industry is facing stiff competition from China. This study aims to understand the prospects & challenges experienced by Marble Industries in India.

Being the fastest growing major economy in the world with a vast population and still a long way to go in development, the potential for growth of this industry in India is obvious. The high import duties mean that any finished imported marble will end up being in the premium segment of the market. According to expert estimates the total market for marble in India is around 35 million tons per year and out of this imported marble accounts currently accounts for only 800,000 tons. Under the new policies the market for imported blocks could reach 5 million tons during the next 5 years according to some estimates assuming that 15 to 20% of the market for marble is in the premium segment. Premium segment here is defined as having price of more than Rs 150/ square foot (approx. 25 euros/sqm).

Objectives of The Study

1. To understand the dynamics of marble industry.
2. To study the prospects and challenges experienced by marble industry in Dadra and Nagar Haveli Region.
3. To study the comparative cases of the marble industry Dadra and Nagar Haveli Region.

Research Design & Methodology

Population: Marble Companies (Silvassa Region).

Research Design: Exploratory Research, Descriptive Research.

Sources of Data: Primary Data, Secondary Data.

Sampling Techniques

For this research study the Researcher has selected case lets main 3 marble companies from Silvassa region.



1. Kailash Marble Industries Pvt. Ltd.
2. Karagwal Enterprises Pvt. Ltd.
3. Heritage Marble Pvt. Ltd. And, case let of R. K. Marble who is leader in marble business. (Biggest Marble Company of India).

Sampling Size: 3

Sampling Toll: Direct Interview, It includes total 10 questions. All questions are about seeking responses prospects and challenges experienced by marble industry.

Literature Review

The Indian Marble Industry Has Faced Many Types of Challenges Stated As Follows

1. **Challenges Under GST:** Under the GST law the input tax credit in respect of works contract services when supplied for construction of immovable property, other than plant and machinery, except where it is an input service for further supply of works contract service is not allowed.
2. **Quarrying And Processing Operations:** Quarrying units operate in unorganized sector and the level of documentation involved in provision of such services is not adequate.
3. **Agency Transactions:** As per the GST law the supplies between the principal and the agent shall be treated as supply and will pose a significant challenge to existing players.
4. **Valuation:** Mining activity involves payment of substantial portion of taxes, duties, cases, fees and charges levied for issue of the mining license. In case of processing units, costs need to be allocated to finished products in order to arrive at a transaction value. Currently there is no standard guideline available. An experimental study of Indian marble industry, (Raman Kumar, Ankit).

Some of The Major Challenges of Marble And Granite Industry For Standard Setting Are As Follows

1. Unorganized workers.
2. Small-scale quarries (more than 90 percent).
3. Piece-rate wage and temporary employment.
4. Contract labor.
5. Inability of small quarry owners to meet the compliance cost.
6. Reluctant approach to community-based development and services. White marble, limestone (kota stone) and other major stone products in Rajasthan are primarily sold in local markets. In such a situation, the Multi-Stakeholders Initiative with collaboration of international traders and civil societies will have a significant role in the process of standard setting. Challenges And Opportunities of Rajasthan Marble Industry, (Sunil Palakodati).

The Marble Indian Industry Has Faced Many Types of Challenges Are As Follows

1. **Boom In Construction Activities:** As per Global Construction Outlook 2020 report, global construction industry currently stands at USD 8.5 trillion. It is expected to reach USD 15 trillion by 2025 i.e. value of construction sector is expected to double in the coming decade.
2. **Export of processed Marble:** The Department of Commerce, Ministry of Commerce and Industry, Government on 18th September 2016 notified the new import policy for Marble and Travertine Blocks, and Marble and Granite Slabs.
3. **Alternate uses of Marble:** Fine Marble powder is used in chemical and tiles industry. These alternate uses have enhanced the commercial value of Marble.
4. **Employment Generation Potential:** The production target of 14 lakh tons per year by 2020 is expected to generate employment for over 2000 people in the newly auctioned Granite Bearing Area. A study on granite & marble industry in India, (Virendra Singh).

In the past few years there has been tremendous development in the construction industry. Marble too is a small part of this construction industry. The process has been facilitated with the easy availability of loans at lower interest rates. Recently, Government has introduced many new laws pertaining to the proper and sustainable development of marble industry, and these are well received by the persons related to the industry. Removal of Excise duty: One of the major changes that the Government has introduced is the removal of the excise duty on marble (up to the annual sales of Rs.1 Crore). This is a major step as so far marble was the only mineral product in the country on which excise was imposed. The removal of the excise duty will reduce the landed cost of marble to the end user and this will surely increase the demand of marble in the market. A comprehensive study of marble industry in India, (Abdul GhafarRassin).



The economic growth in India has resulted growth in construction and many investments are made in high volume projects. The infrastructure has suffered from over usage of the huge population and needs large scale investment. In many Chinese stone companies Asia, especially China, plays an important role. Chinese markets have been growing each year and many surveys predict that markets will become matured in some point and then there should be other countries to replace and take that role. Companies that have several countries they export to are dividing the risk and bearing losses in some market area. A study on Indian stone industry, (Eri. T. Nagi Reddy).

The problem faced by the granite and other dimensional stone industries relate to the shortcomings at operational Level relate to alleged hindrance caused by reformulation of their own policies by various state governments, unhealthy competition amongst the entrepreneurs by underpricing the products in the global market, absence of level prospecting and mining policy, inadequate support measures for investors in processing industry, non-availability of advanced technology under the 100 percent Export Oriented Unit Scheme (EOU) on duty free basis, alleged impractical application of FCA1980, absence of long term funding at cheaper rate etc. The emergence of China as a strong competitor in world market is another problem faced by India's granite varieties at cheaper rates. Buyers from Japan turned towards China due to the price factor. Marble-granite-industry-Hyderabad-study-group, (Satish Saraf).

The prospects of a particular industry in the same resource base may vary from time to time and the demand will catch up at a given point of time and continues to be for considerable period. From the Ancient times the rocks and stones have been used for construction of dwelling places, structures, war memorials, Vijayastambhas, stupas, monasteries, Temples and other places of Worship. But as man civilized progressively he has sought special types of rocks with more and more decorative qualities for his construction activities. The following are some of the important factors which influence the prospects of granite or marble industry in the state: A: Abundance of Raw Material B: Availability of labor C: Infrastructure D: Market E: Technology F: Government Policy. Prospects of marble industry in Andhra Pradesh, (S. S. Joshi).

The Indian stone industry is facing stiff competition from China. Stalwarts of industry are of opinion that the major constraints coming in the success path of Indian stone industry are the lack of good quality of infrastructure. The government's policies are somehow remaining unsatisfactory in keeping the Indian stone industry on a positive note. The Indian government is required to be adopting more scientific and technological view towards its stone industry. Industry demands using of scientific ways, quarrying practices in upgrading its sector. The industry should adopt latest technology for curtailing down its cost and finally improving its quality. Working paper on future strategy of marble in Gujarat, (commissioner of geology and mining, Gujarat)

Discussion: (Prospects & Challenges of selected companies).

Kailash Marble Pvt.Ltd

About the company

Kailashmarble is a marble manufacturing company having history of more than 9 years with the very strong goodwill in the market. From the starting this company experienced many types of challenges and prospects.

Prospects of company

1. Future of Indian marble industry is very bright.
2. Growth of marble industry is possible but not easy.
3. Enterprise market share is depending on the company and government policies.
4. They have bought the automatic resin filler machine which helps to give neat and clean look to marble.
5. They have special display area in such a manner which can attract their clients.
6. They want to import some unique type of marble and making new design on marble slabs before selling.
7. The day-to-day demand of their business is very good because of big clients.
8. They want to increase their sales in more quantity of marble through salesman.
9. For marketing activity they used to participate in the marble mela which organized in the Bangalore.

Challenges of company

1. Their challenge is the bargaining power of customer.
2. Increasing competition and new rivals in market.
3. In starting their main challenge was CRM and they don't had basic facilities.
4. Hard competition in market is a big challenge for them.
5. They don't have any technological challenge because of they always accept the new type of technology and



Source: Personal Interview with: Mr. Susant Mukharjee, General Manager, Kailash Marble Pvt. Ltd., Silvassa (D&NH).

Heritage Marble Pvt.Ltd.

About the company

Heritage marble is a marble manufacturing company having history of more than 23 years with the very strong goodwill in the market. From the starting this company experienced many types of challenges and prospects.

Prospects of company

1. Future of marble industry is very bright.
2. The acceptability of marble in the customers is also increasing.
3. Heritage Marble getting big project, residential and retail requirements.
4. In the Heritage Marble they have experienced directors and promoters.
5. Latest technology and infrastructure.
6. They have a dedicated team of good sales people.
7. They appraisemanay types of verities with reasonable prices.

Challenges of company

1. Display area in the company was the major issue.
2. Arranging raw material because of area was developing in their company.
3. Cut throat competition in marble market.
4. Majority of the obtain bank loans.
5. The day-to-day demand is not fixed because of Silvassa is known to be the hub of imported marble of India and competitors are more in market.
6. The competitive and technological and market threats for are competitions coming from companies where that are either public ltd.

Source: Personal Interview with: Mr. Rajiv Agarwal, Director, Heritage Marble Pvt. Ltd., Silvassa (D&NH).

Karagwal Enterprises Pvt.Ltd.

About the company

Karagwal Enterprises is a marble manufacturing company having history of more than 17 years with the very strong goodwill in the market. From the starting this company experienced many types of challenges and prospects.

Prospects of company

1. Future of marble industry is very bright.
2. They are importing marbles in the huge quantity.
3. They try to sale marble in the market with new design.
4. They also try to do something innovative into marble manufacturing process.
5. They want to purchase new and advance technology.
6. They have successfully on more branch of company nearby Bangalore.
7. Increment in quantity of importing marble and in their turnover.
8. For marketing they have core team, social networking sites.
9. They also participate in the marble mela which organized in Bangalore.

Challenges of company

1. New rivals and tough competition in market.
2. In the starting of enterprise they don't had proper process availability.
3. Their financial position was not that to purchase raw material on big quantity.
4. For revenue generation their main problem is majority of the obtain bank loans.
5. The affordability of marble of every group of people is increasing.
6. The competitive, technological and market threats of their enterprises are they have to change in technology is also a threat for them.

Source: Personal Interview with: Mr. Ramkishor Sharma, Manager, Karagwal Enterprises Pvt. Ltd., Silvassa (D&NH).



Overall Prospects And Challenges Faced By Marble Industry In Silvassa About The Company

Silvassa is known as the marble (imported, Indian) hub and mandi of India, in the Silvassa region almost 22 marble companies are activated and there are so many small and big players in the market. In Silvassa marble industry has companies like: Nitco marble and Classic marble which is one of the top 10 marble companies of India. The Silvassa marble industry has faces many types of challenges and prospects in the market.

Prospects of company

1. The future of marble industry is very bright.
2. The market share of marble industry is also very high.
3. Experience working in the marble industry, good infrastructure, attractive display area, technologies and innovation in marble.
4. The future plan is to import new marble and technology.
5. They are also getting the order in many new multi-story buildings.
6. They are trying to make some new customers and increase the sales.
7. They are trying to make their turnover more in the target period that they have set.
8. For marketing activities they have core marketing team, social networking sites (Facebook), own website, hoardings, participate in marble mela.
9. They have clients **Like: Reliance, Oberoi**, giant companies, architects, and builders.
10. Silvassa is hub of the imported as well as Indian marble industry so from all over India people come to Silvassa to purchase the marble.

Challenges of company

1. The future of marble industry is very bright.
2. The market share of marble industry is also very high.
3. Experience working in the marble industry, good infrastructure, attractive display area, and technologies and innovation in marble.
4. The future plan is to import new marble and technology.
5. They are also getting the order in many new multi-story buildings.
6. They are trying to make some new customers and increase the sales.
7. Cut throat competition, bargaining power of customer, new rivals, and huge investment less ROI and changing in government policies **like: GST and Demonetization**.
8. From the startup their challenges was not proper procurement of marble, finding new customers, CRM, proper display area was not available for presentation, arranging staff and workers, competition, finance and obtaining bank loan.
9. The technological and competitive threats are always they have to upgrade their technologies, machinery.
10. They are depended on the financial resources and increasing competition.

The Case of The Prospects And Challenges Faced By R.K. Marble (Biggest Marble Company of India)

About The Company

R. K. marble is a marble manufacturing company started by Mr. Ashok Patni, Mr. Suresh Patni and Mr. Vimal Patni in year 1989 and having history of more than 28 years and in now days it is known as biggest marble company not only for India but all over the world with the very strong goodwill in the international market. They are the world's biggest manufacturer, importer, exporter, retailer, and seller. They are doing business of marble with many countries of world like: Italy, Turkey, Spain, Brazil, China, Greece, Australia, USA etc. From the starting this company experienced many types of challenges and prospects.

Prospects of Company

1. They have the best team of 3500 persons to handle companies operations.
2. They have latest imported (Italy) technologies which is operated by the most skilled and professionals workers and engineers.
3. They also went global by acquisition of mines in Vietnam.
4. Today they have the biggest white marble mine.
5. They are the biggest exporter and producer of white marble in all over world.
6. The R.K. marble group is holds 16% marble of the Indian marble market.
7. They have clients in many countries on international level.

8. This is the only company in India which sells the complete marble slabs.
9. Innovativemarble design and variety, new technologies.
10. They are connected with the updated at par international frontiers of research.
11. This is the first company who produce the marble which can absorb the any type of liquid.
12. State-of-the-art machinery worth over Rs. 250 crores to produce 2 million tons marble per year. (Equivalent to over 80,000 sq.mt daily)
13. They have supplied marble for many major projects including palaces, temples, mosques, embassies, international hotel chains, office buildings.
14. They have their name in the Guinness book of world record & Limca Books of World Records to produce biggest quantity and natural quality of marble.

Challenges of Company

1. The increasing competition on the international level.
2. Competitors are trying to capture market and attract the R.K. marble clients to them on the international level as well in emerging market also.
3. Their challenge is the majority of many bank loans.
4. The changing government policies like GST & Demonetization.
5. The main challenges that they have faced in the GST period in July 2017 demonetization period in November 2016.

The Comparison of Selected 3 Companies Case & R.K. Marble Case

Cases 3 Companies	Case of R.K. Marble
Future is bright, growth is more but not easy.	Future is bright, growth is also high but competition is more in world market.
Market growth is high because of they have good relationship with clients and order big project.	Market growth is high because of they are working with many countries in all over world and they also have clients on international level.
Their competitive advantage is they have lots of experience, attractive infrastructure & display area, latest technologies.	Competitive advantage are strong brand name, goodwill in all over world, they have their own white marble mines in India & Vietnam, trade on national & international level, professional & skilled worker, engineers, global acquisition, machines., first company to sale full marble slab, this group sold 16% marble of Indian marble market.
Future plans are making sales on high scale and getting new & big projects.	They are thinking about to provide more better quality of marble White Marble to the all over world.
For marketing they have core team, company sites, social networking sites, hoardings, participate in marble mela.	Hoardings, marketing on international level, core marketing team.
Challenges in now days are cut throat competition, bargaining power of customer, changing govt. policies.	Competition on international marble market.
Threats are financial resources, upgrading technology, competition. Revenue generation problems are majority of bank loans, and GST & demonetization affected sales margin.	High competition on international level. There is no major revenue generation problem, but in the demonetization it affect their sale on international level.
At the starting time their challenges was not proper procurement, finding new customers, arranging staff & labor, competition, finance, display area.	Finance was the major problem when they wanted to expand their business in Rajasthan and Madhya Pradesh.
Day-to-day demand is increasing and they have their big & old clients in market, architect, and builders.	There marble demand increasing because they have their clients on national and international level and they have their own resources to produce marble.



Findings of The Study

The Researcher Based On The Analysis Has Come Up With The Following Findings

Prospects of company

The day-to-day demand of Indian marble industry is also increasing because of the increasing purchasing power of customer and changing the standard of living of customers and in now day's customers are able to afford Indian as well as imported marble. In Indian marble industry they try to come up with the new variety and colors of marble for attract the customers. In Indian marble industry they try to increase the sales and to sale the marble on the big quantity to current client's and they are also thinking about the changing in the procurement process before selling the marble slabs. In Indian marble industry their future plans are to increase their turnover within the period that they have set. In now days they are getting the marble order of many project and they have their loyal clients and goodwill of their company in the market.

Challenges of company

In now day's challenges for Indian marble industry are cut throat competition in market, new rivals and majority of bank loan is the major challenge for them. In Indian marble industry always they need to update their technology and machinery in the company. At the startup time of company the major challenge was to finding new customers, CRM, arranging staff and workers for company and they don't had proper area in the company for presentation (display) of the marble slabs. For revenue generation are majority of obtaining the bank loans and in the demonetization and GST period it affected marble very much as in this period almost 70% sales of marble in Indian market it has decreased.

Conclusion

The study on the topic "A Study on Prospects & Challenges experienced by Marble Industries: *Indian Context*" leads to the understanding that overall future of Indian marble industry is very bright because of acceptability of marble is increasing rapidly, but in July 2017 (GST period) the demand of marble is decreased almost 70%. The growth of Indian marble is possible but not easy because of purchasing power of Indian consumer is increasing very rapidly and from the last 14-15 years the sale of Indian marble has been increased rapidly. From last 1 decade the demand of marble in India is increase because of changing the demand of the Indian peoples towards imported marble as well as Indian marble also.

The Indian marble industry faced many types of challenges like: increasing competition, new rivals, bargaining power of customer, majority of bank loans, CRM, finding new customers and clients etc. In the past the major challenge for the Indian marble industry was that was the demonetization where Indian marble suffered very much and faced many types of losses at that time the sale of marble in India was decreased almost for 70%. The changing in the government policies like: **GST** it is also a big challenge for Indian marble Industry because of they have to change their procurement as per the new the new rule, policies and tradition in the market.

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