

Glass - Consumer

Industry Code (as per CMIE Prowess): 0101015003000000'

June 2022

Overall Industry Risk Score: **12/20 | Marginally Favourable**

Sample Size: 8 Companies

Median Rating Value of sample size: A-

Individual Parameters Contributing to the Score

Demand & Supply Balance



8/20

Moderate Over Supply

The industry outlook is highly correlated with the performance of the real estate, automobile, solar, telecom and other associated industries. With the downturn in the auto and the real estate sectors in FY20/21, the glass industry has witnessed challenges. As per CMIE data, the production of glass sheet represented a 4.6% y-o-y growth from 11,255.8 thousand sq. mtrs in February 2021 to 11,798.6 thousand sq. mtrs in February 2022. The output of fibre glass (mostly used in telecom sector) increased from 12,443.2 tonnes during February 2021 to around 14,409.5 tonnes (CMIE estimates) during February 2022. The industry reported 6.8% y-o-y growth in sales revenue from Rs.21 billion in the March 2021 quarter to Rs.22.4 billion during the quarter ended March 2022. The industry witnessed an increase in exports by 28.91% from Rs.61.5 billion in FY21 to Rs.79.3 billion in FY22. Increase in demand in the sector during FY23 will be linked to improvement in demand from user sectors which is expected to be only gradual.

Extent of Competition



16/20

Low competition/ Entry Barriers

The industry is highly capital intensive and the extent of competition is limited. India exports as well imports glass & glassware products.

Regulatory Risk



12/20

Predictable Regulatory environment

The industry is expected to benefit from the 'Make in India' initiative. Recently, the government has imposed anti-dumping duty on clear float glass imported from certain nations.

Input Related Risk



12/20

Largely predictable supply of inputs from diversified sources or Raw Materials with rare, occasional disruptions / fairly predictable price band

The industry is subject to the volatility in the prices of soda ash; while there has been a firming up of the prices, it still continues to be moderate. The industry is also power and fuel intensive.