

Stationery

Industry Code (as per CMIE Prowess): 0101012510000000'

June 2022

Overall Industry Risk Score: 13/20 Marginally Favourable

Sample Size: 3 Companies

Median Rating Value of sample size: A-

Individual Parameters Contributing to the Score

Demand & Supply Balance  **12/20**

DS Equilibrium

The long term demand for printed books and stationery in India will continue to be healthy given the favourable demographics and the growing demand in the educational sector. The growing trend of digital learning has also spurred the demand for digital content. Government initiatives like DIKSHA (Digital Infrastructure for Knowledge Sharing) are steps towards ensuring online education. The post pandemic demand for books and stationery during December 2021 quarter has increased and is reflected in the revenue profiles of established leading listed players like Navneet Education who saw growth in sales by 84.7% in the December 2021 quarter. The demand is expected increase furthermore in subsequent quarters.

Extent of Competition  **12/20**

Neutral

Due to the fragmented nature of the industry, level of competition is very high. However, larger companies with long track record in the publishing and book printing industry have a strong presence in the text book segment which ensures steady volumes.

Regulatory Risk **16/20**

Stable Regulatory environment

The tax environment has been generally supportive in view of the Government's policy on increasing access to education.

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 fairly vulnerable to paper prices. Increase in paper prices likely to impact margins.