

Diversified metal & metal products

Industry Code (as per CMIE Prowess): 0101013555000000'

June 2022

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

Sample Size: 17 Companies

Median Rating Value of sample size: BBB+

Individual Parameters Contributing to the Score

Demand & Supply Balance  **8/20**

Moderate Over Supply

The demand for this sector (copper, Zinc, nickel etc) largely accrues from the infrastructure sector including real estate, automotive, telecommunications and others. As per CMIE data, the industry reported 29.4% y-o-y growth in sales from Rs. 22.4 billion in December 2020 quarter to Rs. 29.1 billion during the December 2021 quarter. Sales are expected to firm up in the FY23 on the back of higher volumes from user sectors.

Extent of Competition  **12/20**

Neutral

The industry has relied on domestic manufacturers and imports. Policies favouring domestic inputs translate to higher duties on imported products.

Regulatory Risk  **12/20**

Predictable Regulatory environment

Supportive measures and higher investments in the infrastructure sector including real estate should be growth positive for the industry over the medium term.

Input Related Risk



16/20

No supply disruptions / very narrow price band or fluctuations

While the volatility in raw material costs such as the prices of various steel products would continue to remain, higher import duties including anti dumping duties on certain steel categories and a moderation in rupee depreciation have added some stability.