

Dyes And Pigments

Industry Code (as per CMIE Prowess): 0101012025000000'

June 2022

Overall Industry Risk Score: **13/20 | Marginally Favourable**

Sample Size: 12 Companies

Median Rating Value of sample size: A+

Individual Parameters Contributing to the Score

Demand & Supply Balance



8/20

Moderate Over Supply

A major slowdown in the textile sector by the pandemic has adversely impacted the revenues of this industry in FY20 and first half of FY21. As per CMIE data, the industry reported 24.3% y-o-y growth in sales revenue from Rs.17.9 billion in December 2020 quarter to Rs. 22.8 billion during the quarter ended December 2021. The exports value increased by 16.69% from Rs. 21.2 billion in February 2021 to Rs. 24.8 billion during February 2022. The increase in demand is expected to be gradual over the next few quarters.

Extent of Competition



12/20

Neutral

The industry is characterised by the presence of many small players. There is also a threat of imports although tightening of pollution norms in countries like China would benefit Indian players.

Regulatory Risk



16/20

Stable Regulatory environment

Since the industry has an impact on the environment, the growth of the industry may be constrained due to pollution control norms. However, there may be support accruing from the Make in India initiative.

Input Related Risk



16/20

No supply disruptions / very narrow price band or fluctuations

The volatility in raw material price can adversely impact this sector. The dependence on imports particularly from China however, may decline due to supply chain development in India.