

Plastic Tubes, Pipes, Fittings & Sheets

Industry Code (as per CMIE Prowess): 0101012045010000'

June 2022

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

Sample Size: 18 Companies

Median Rating Value of sample size: A-

Individual Parameters Contributing to the Score

Demand & Supply Balance  **16/20**

Moderate Demand

Decline in the demand from key user sectors like infrastructure, irrigation etc. has impacted the demand especially in the first half of FY21. As per CMIE data, the industry reported y-o-y 20.1% growth in sales from Rs.47.5 billion for March 2021 quarter to Rs.56.7 billion for March 2022 quarter. In FY22, the export volumes of PVC pipes & tubes & PVC fittings increased by 51% and 42.3% respectively. The Government focus on infrastructural development is expected to augur well for the industry till the demand from private sector improves on a sustainable basis.

Extent of Competition  **12/20**

Neutral

Due to fragmented industry, level of competition is intense, though there are a few large players.

Regulatory Risk



12/20

Predictable Regulatory environment

The regulation has been supportive, though there is a ban on certain grades of plastics in view of environmental concerns.

Input Related Risk



12/20

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

Input costs remain highly volatile. The concept of import price parity is used in determination of domestic prices. Exchange rate hits the smaller players majorly due to their limited bargaining power.