

Storage & Distribution

Industry Code (as per CMIE Prowess): 0101041505000000'

June 2022

Overall Industry Risk Score: **14/20 | Favourable**

Sample Size: 16 Companies

Median Rating Value of sample size: A-

Individual Parameters Contributing to the Score

Demand & Supply Balance  **16/20**

Moderate Demand

Due to prolonged lockdown, demand for storage facility has increased. This industry is likely to witness strong demand due revival in economic activity. On the supply side, the industry has been witnessing robust growth in capex.

Extent of Competition  **12/20**

Neutral

The warehouse segment is largely unorganised with large number of players having small warehouses. The logistics sector has seen emergence of few large players operating on a pan India basis. Increasing preference towards 3PL (Third Party Logistics) arrangements is contributing to the growth of the logistics segment.

Regulatory Risk



16/20

Stable Regulatory environment

For maintaining price stability and reduce wastages particularly for agro products, this industry is in priority list of the government. Government's focus has been on development of infrastructure for storage and logistics.

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 key variables are interest and labour costs in addition to the costs to acquire land & godowns etc.