

## Computers Hardware & Equipments

Industry Code (as per CMIE Prowess): 0101014010010000'

June 2022

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

Sample Size: 3 Companies

Median Rating Value of sample size: BBB

### Individual Parameters Contributing to the Score

#### Demand & Supply Balance



**20/20**

High Demand

PC Shipments rise amidst work from home scenario across sectors. As per CMIE data, the industry witnessed a 26.7% y-o-y fall in its sales in the December 2021 quarter. Digitization initiatives across sectors is expected give a fillip to demand. The demand outlook is expected to be healthy in the FY 2023 on the basis of Government initiatives like PLI scheme and companies investing in manufacturing of their products in India.

#### Extent of Competition



**8/20**

Fragmented Industry

Multiple local and foreign brands lead to intense competition, but strong brands command a larger share along with better distribution reach and presence in online channels.

## Regulatory Risk



16/20

Stable Regulatory environment

The regulatory framework is likely to remain supportive given the sector's role in the digital transformation.

## Input Related Risk



12/20

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

Supply chains largely predictable but may face certain shortages given the recent lockdown in China due to the Covid outbreak; the industry depends on significant imported content from China/ South Korea/Taiwan for critical components such as semi conductors.