

Industrial machinery

Industry Code (as per CMIE Prowess): 0101014001050000'

June 2022

Overall Industry Risk Score: **11/20 | Marginally Favourable**

Sample Size: 23 Companies

Median Rating Value of sample size: BBB+

Individual Parameters Contributing to the Score

Demand & Supply Balance



8/20

Moderate Over Supply

With limited capital expenditure by the corporate sector over the last 2 years, there has been a significant impact on the order book of industrial machinery manufacturers. As per CMIE data, the industry reported y-o-y 30.9% growth in sales from Rs.34.2 billion for March 2021 quarter to Rs.44.8 billion during the quarter ended March 2022. In FY22, the exports value of Chemical Machinery and Printing Machinery increased by 30% and 32.48% respectively as compared to FY21.

Extent of Competition



12/20

Neutral

There are entry barriers in terms of access to technology; the industry has few but established players.

Regulatory Risk



12/20

Predictable Regulatory environment

Indigenisation efforts to set up greenfield and brownfield plants for lower dependence on imports of manufactured and industrial products are likely to be supported and facilitated by the government. This should also improve the demand scenario for the sector.

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 availability of raw materials such as steel is not a challenge but the profitability is vulnerable to any increase in prices.