

# Air-Conditioners & Refrigerators

Industry Code (as per CMIE Prowess): 0101012525010000'

June 2022

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

Sample Size: 6 Companies

Median Rating Value of sample size: A+

## Individual Parameters Contributing to the Score

### Demand & Supply Balance



12/20

DS Equilibrium

Manufacturers have increased production to full capacity owing to surge in demand sparked by the heat wave in several parts of the country and pent-up demand from previous two summers. According to Consumer Electronics and Appliances Manufacturers Association (CEAMA). In April 2022, the industry has already sold around 1.75 million units. The sales are up 30-35% over April 2020 levels and double of what they were in 2021. The demand and output is expected to grow in the FY23 on the back of the base effect and expected improvement in level of activity in the economy.

### Extent of Competition



12/20

Neutral

The market is dominated by several established local and foreign brands. Large distribution reach and strong brands are important success factors.

## Regulatory Risk



16/20

Stable Regulatory environment

Restrictions on imported goods & initiatives like Atma Nirbhar Bharat, PLI Scheme provide support to the domestic manufacturing.

## Input Related Risk



16/20

No supply disruptions / very narrow price band or fluctuations

No significant production challenges during March 2022 quarter. Recent Lockdown in China due to the Covid outbreak might create a shortage of components in the second half of FY22. Increase in prices of metal and polymers will have a bearing on input costs.