

## Diversified

Industry Code (as per CMIE Prowess): 0101016000000000'

June 2022

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

Sample Size: 23 Companies


Median Rating Value of sample size: A-

### Individual Parameters Contributing to the Score

**Demand & Supply Balance**  **12/20**

DS Equilibrium

Pre-pandemic slowdown in FY20 and further impact in the first half of FY21 due to the pandemic have led to a significant slowdown. As per CMIE data, the industry reported 21.13% growth in sales revenue from Rs.81.5 billion in quarter ended December 2020 to Rs.98.7 billion during the quarter ended December 2021. With the expectation of a economic recovery from FY23, the sector is expected to revive gradually.

**Extent of Competition**  **12/20**

Neutral

Since the sector is into widely divergent products, the extent of competition is not uniform. Further, the players in this segment mostly have multiple manufacturing units and therefore, larger operations. This limits the impact of competition in specific product categories.

## Regulatory Risk



16/20

Stable Regulatory environment

The GST regime is expected to nudge the units in unorganised sector to the organised segment. An overall economic recovery and the government's push to boost the manufacturing sector should augur well 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

Supply chain challenges & commodity price increases may result in cost inflation thereby partly affecting the margins. Labour availability issues are expected to be resolved gradually as that cropped up in the first half of FY21 have been largely sorted out.