

Personal Care

Industry Code (as per CMIE Prowess): 0101012501000000'

June 2022

Overall Industry Risk Score: **15/20 | Favourable**

Sample Size: 18 Companies

Median Rating Value of sample size: A-

Individual Parameters Contributing to the Score

Demand & Supply Balance  **16/20**

Moderate Demand

The focus on hygiene during the ongoing pandemic have given a significant push to the sales in soap and the detergent categories. Many firms have grabbed the opportunity to launch new products in the hygiene category such as sanitisers, disinfectants etc. In the first phase of the pandemic, the rural areas which were relatively unaffected by the crises supported the consumption. As per CMIE data, the sales revenues have increased by 10% from Rs.184.46 billion in December 2020 quarter to Rs.203.01 billion during the quarter ended December 2021. The exports value of soaps & detergents reported an increase by 13.4% from Rs.11.14 billion in December 2020 to Rs.12.63 billion in the quarter ended December 2021. The industry outlook in forthcoming quarters seems to be healthy.

Extent of Competition  **12/20**

Neutral

While there are a few local players, the industry is largely dominated by a few large and established multinational players. Some of these players have strong brands and command a premium.

Regulatory Risk



16/20

Stable Regulatory environment

The need to maintain hygiene has increased demand in this industry. The increased spending by Government on infrastructure projects and various social schemes is expected to augur well for stable demand for such products especially in the rural segment.

Input Related Risk



16/20

No supply disruptions / very narrow price band or fluctuations

Healthy demand in the personal care segment driven by increase in per capita incomes enable the industry to pass on any input cost increases to the consumers.