

Other construction materials

Industry Code (as per CMIE Prowess): 0101013090000000'

June 2022

Overall Industry Risk Score: **12/20 | Marginally Favourable**

Sample Size: 11 Companies

Median Rating Value of sample size: A

Individual Parameters Contributing to the Score

Demand & Supply Balance  **8/20**

Moderate Over Supply

The demand had subdued from the infrastructure and the real estate sector in FY21 due to logistical and demand side challenges. As per CMIE data, the production increased by 12.4% to 4,013.2 thousand tonnes in FY22 as compared to 3,569.8 thousand tonnes in FY21. As per Ministry of Commerce data, the industry reported increase in exports by 23.9% from Rs.13.7 billion in FY21 to Rs.17 billion in FY22. The revival of economy and increase in capital expenditure by the Government particularly in the rural areas will increase demand for this sector in the long term.

Extent of Competition  **8/20**

Fragmented Industry

Given the presence of the unorganised sector, the industry witnesses higher competition .

Regulatory Risk



16/20

Stable Regulatory environment

With higher rural spending and focus on low cost housing from the government, the long term prospects for the industry are good.

Input Related Risk



16/20

No supply disruptions / very narrow price band or fluctuations

Rising cement and steel prices have been increasing the input cost. The labour availability challenge has been resolved to a greater extent due to the relaxations in Covid related lockdowns across the country. With recovery in economic outlook, the industry will witness strong demand and able to pass on rising input cost.