

Corporate Performance – Industry Analysis Q2-FY20

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Following the analysis of the corporate performance for a sample of 2,398 companies at the aggregate level published on 19th November, the foregoing study is a detailed industry –wise analysis of corporate results for the quarter ended September, 2019. The data has been sourced from ACE Equity and the analysis covers 62 industries.

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Aggregate Performance

Table 1: Quarterly aggregate performance

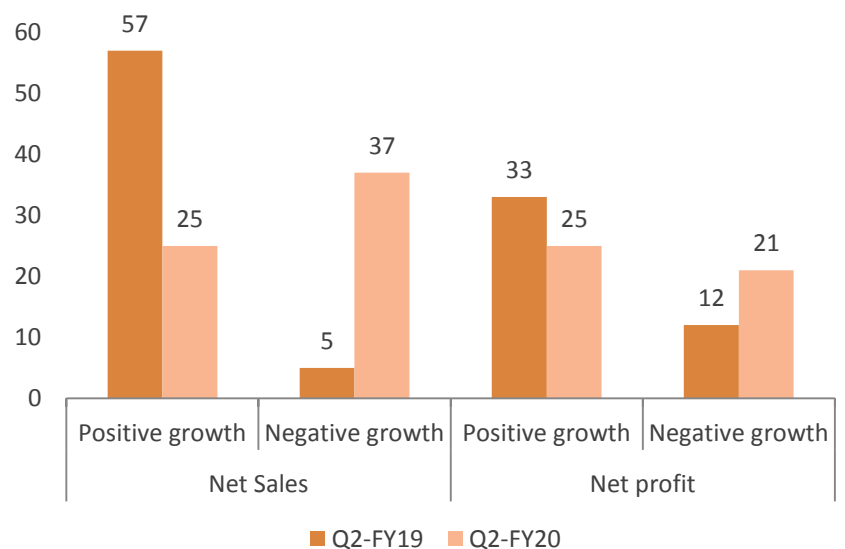
2398 companies	Rs crs			Growth (%)	
	Q2 FY18	Q2 FY19	Q2 FY20	FY19	FY20
Net Sales	1,375,312	1,659,554	1,614,702	20.67	(2.7)
Operating Profit (incl. OI)	294,273	328,730	335,663	11.71	2.1
PAT	79,225	86,300	30,205	8.93	(65.0)

Source: ACE Equity

Snapshot of Industry-wide net sales and net profits

Chart 1 provides a snapshot of the number of industries which recorded positive and negative sales growth and net profit growth during Q2-FY19 and Q2-FY20. Industries which recorded profits in one quarter and losses in the other, vice versa and losses in both quarters were excluded while summarising Chart 1.

Chart 1: Summary of industry-wise net sales and net profit (No of industries)



Source: CARE Ratings

Note: For net profits, 12 industries excluded in Q2-FY19 while 21 industries excluded in Q2-FY20

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The above snapshot shows significant decline in the number of industries recording positive net sales growth and net profit growth.

- The number of industries which recorded positive growth in net sales during Q2-FY20 has almost halved vis-à-vis the number of industries which had recorded positive growth in net sales during Q2-FY19
 - Services led industries like private banks, telecom – service provider, hospitals & healthcare services, IT software, retail, housing finance have recorded positive double digit growth in net sales.
 - Automobile industries, refineries and steel are key industries which have recorded negative sales growth during the quarter.

Top 5 industry analysis based on Net Sales and Net Profits

The following 4 tables (Table 2a, 2b, 2c and 2d) lists top 5 industries based of net sales and net profits for different industries.

Table 2a: Top 5 industries based on highest net sales in Q2-FY20

Industry	Net Sales	Q2-FY19	Q2-FY20
Refineries	395,497	35.60	(10.8)
Bank - Public	179,336	3.59	11.9
Bank - Private	106,996	17.93	17.7
Steel & Iron Products	67,816	23.49	(16.6)
Power Generation/Distribution	51,020	9.76	(0.7)

Table 2b: Top 5 industries based on highest growth in net sales

Industry	Net Sales	Q2-FY19	Q2-FY20
Railways Wagons	847	92.2	39.1
Airlines*	10,981	13.3	34.7
Electronics - Components	393	4.3	33.6
Consumer Durables - Electronics	2,113	(2.6)	33.4
Transmission Towers / Equipment	1,967	28.3	24.1

*Includes 2 main players

Table 2c: Top 5 industries based on highest net profits in Q2

Industry	Q2-FY20 Rs crs
Refineries	12,239
Pharmaceuticals & Drugs	8,767
Power Generation/Distribution	8,405
Oil Exploration	6,987
Housing Finance	6,389

Table 2d: Industries with highest losses in Q2- FY20

Industry	Q2-FY20 Rs crs
Telecom - Service Provider	(79,759)
Airlines	(1,532)
Trucks/LCV	(1,253)
Shipping	(775)
Public sector banks	(727)

Source: CARE Ratings

- Table 2a lists top 5 industries which registered the highest net sales in Q2-FY20. Out of the top 5, 3 industries based on net sales have recorded a contraction in Q2-FY20 as against positive growth in Q2-FY20.
- Table 2b lists top 5 industries which registered highest growth in net sales in Q2-FY20. These 5 industries account for only 1.1% of the net sales of the quarterly net sales in Q2-FY20
- Table 2c gives top five industries earning highest net profit with refineries registering the highest net profits in Q2.

- Table 2d lists top 5 industries with highest losses in Q2. Telecom-service providers have recorded a significant loss in Q2-FY20 followed by airlines.

The losses recorded by Telecom-service provider aggregating Rs 79,759 crs in Q2-FY20 have been significant and Table 3 validates the same.

On inclusion of telecom – service provider industry in the list, the net profit growth (yoy%) of the sample drops to (-) 65% as against a positive growth of 28% after excluding telecom industry.

Table 3: Impact of Telecom – service providers on overall net sales and net profits

	Q2-FY19	Q2-FY20	yoy %
Net Sales of all companies	1,659,554	1,614,702	(2.7)
Net sales of companies excluding telecom - service providers	1,635,281	1,586,665	(3.0)
Net profit of all companies	86,300	30,205	(65.0)
Net profit of companies excluding telecom - service providers	85,929	109,965	28.0

Source: CARE Ratings

Industry Matrix Analysis

Table 4 shows that most of the industries have indicated lacklustre performance during the quarter. We have attributed certain factors for some of the industries under review.

Table 4: Industry-wise Matrix of net sales growth (%) and net profit growth (%) in Q2-FY20

Net Profit → Net Sales ↓	< (-)20	(-)20 to 0	0 to 10	10 to 20	20 to 30	30 to 40	>40
< (-)20	Auto Ancillary Passenger Cars Electrodes and Welding Equipment						
(-)20 to 0	Oil Exploration Port Fertilizers Tea/Coffee	Plastic Products Paper and Paper products Industrial Gases and Fuels Refineries Mining & Minerals Term Lending Dyes & Pigment Engineering - Electrical Equipment	2-3 Wheelers Tractors	Consumer Durables Tyres & Allied		Rubber	Metals - Non-ferrous Steel & Iron products Cement & Construction materials Ceramics Construction - Real Estate Hotels & Restaurants Glass Trading
0 to 10	Engineering			Household & Personal products	Consumer Foods		Engineering Construction Paints
10 to 20	NBFCs	Private Banks Diamond & Jewellery	Retail	Pesticides & Agrochemicals		Housing Finance Healthcare	Pharmaceuticals
20 to 30							Ship Building
>30						Consumer Durables - Electronics	Railway Wagons

Source: Ace Equity, CARE Ratings

- Automobile industry has recorded significant contraction in net sales with net profits of passenger vehicles and auto ancillary also registering negative growth. However, the profits of 2-3 wheeler segment and tractors have recorded profits (0-10%) owing to lower input costs.
- Industries dependent on power & fuel as inputs like metals (non-ferrous), steel & iron, cement and construction materials have recorded negative growth in sales while significant profits in Q2 owing to lower power cost and raw material cost.
- For the Tyre industry, sales contracted while profits grew by more than 10% primarily owing to low input prices (rubber and power).
- Private Banks and NBFCs have registered positive growth (10-20%) in net sales but negative net profit growth. De-growth in private banks is on account of higher operating expenses while moderation in sales growth in NBFCs have translated into lower profits in Q2-FY20.
- Healthcare and Pharmaceuticals industry has performed well in terms of net sales and net profits.

Industry performance: An evaluation

Sugar

- Net sales of sugar industry registered a growth of 11.5% during Q2-FY20 as against negative growth of 24.5% in Q2-FY19.
- Sugar production during the sugar season 2018-19 (Oct'18 to Sept'19) rose marginally by 1.3% from the previous sugar season and therefore income from various subsidies announced by the government for sugar year 2018-19 (Oct'18 to Sept'19) is believed to have supported the industry's sales growth during the quarter. The export aid and financial assistance for per quintal of cane crushed for sugar season 2018-19 was given by the government in September 2018. The average wholesale sugar prices increased marginally by 1.3% in September 2019 quarter.

Automobiles

- In terms of sales, the automobiles (including auto-ancillary) industry witnessed a sharp contraction of 22.7% in Q2 FY20 vis-à-vis a double-digit positive growth of about 15% during Q2 FY19. On similar lines, production activity measured using IIP of motor vehicles, trailers and semi-trailers witnessed a sharp decline of over (-) 21% in Q2 FY20 vis-à-vis growth of over 12% during corresponding quarter previous year.
 - Sales of passenger vehicles and two & three wheelers segment witnessed a y-o-y contraction of (-) 21.3% and (-) 11.1% respectively owing to overall weak sentiments due to increased cost of ownership (insurance cost).
 - The contraction in sales of commercial vehicle segment can be attributed to limited lending by NBFCs and lower rentals that forced the fleet owners to defer their purchases. Also, volatility in freight rates and increase in fuel prices further impacted demand.
- Price hikes in passenger vehicles and two wheeler segments due to new safety norms starting April 1, 2019, higher insurance costs and high inventories at retail (dealers) level led to slow wholesale movement and has continued to weigh on the overall automobile sales during Q2 FY20.
 - However, the new launches in passenger vehicles segment (especially in the SUV segment) witnessed strong demand despite higher price, increased insurance and interest costs.
- Exports of passenger vehicle and two & three wheeler segment witnessed a marginal improvement of about 5% and 3% respectively while exports of commercial vehicle segment continued to witness sharp decline of over 30% during Q2 FY20.

- Production of passenger vehicles (-24%), 2&3 wheelers (-14%), commercial vehicles (-38%) and tractors (-11%) recorded perceptible contraction in Q2-FY20 vis-à-vis Q2-FY19.
- Industry profits contracted by 35.5% during the quarter vis-à-vis a growth of about 11% during Q2 FY19 and can be attributed to weak sales booked despite various deals and discounts offered by OEMS during the festival season.

Textiles

- Textiles sales witnessed a decline of about (-) 3.2% in Q2 FY20 vis-a vis double digit growth of about 14% during corresponding period previous year on the back of weak sentiments and overall weakness in the economy. Despite various offers, deals and discounts, textile sales failed to pick up to the previous year levels for most of the players in the set considered.
- On similar lines, production activity in this segment (measured using IIP – textiles) witnessed a contraction of about 6% in Q2 FY20 vis-à-vis a growth of about 5% during Q2 FY19. However, manufacturing of wearing apparels registered moderation in growth to about 11% in Q2 FY20 vis-à-vis growth of about 16% in Q2 FY19. The players are off-loading the piled up inventory that was being carried forward for the last few quarters.
- In terms of exports of apparels, marginally higher exports of apparels on a y-o-y basis (both in terms of Rs as well as dollar) restricted the revenue decline and supported margins.
- Based on IIP data, textiles recorded a contraction of -6.1% in Q2-FY20 as against 5.2% growth in corresponding quarter a year ago. Also, wearing apparels registered moderation from 15.8% in Q2-FY19 to 10.8% in Q2-FY20.

Banking

- The interest income of scheduled commercial banks (SCBs) rose by 14% in Q2-FY20, higher than 8.4% growth recorded in corresponding quarter year ago. On the other hands, the net profits of the banking sector have improved with SCBs registering net profits in Q2-FY20 as against losses in Q2-FY19.
- Interest income has risen owing to sticky lending rates on outstanding loans as there has been a lag in transmission of rate cuts to the borrowers.
- The widening of the net interest margins (NIMs) for the scheduled commercial banks coupled with lower provisioning in Q2-FY20 vis-à-vis Q2-FY19 supported overall profits in the banking sector.
- The growth in interest income of private banks during the quarter has been steady at 17% as that a year ago while the growth in interest income of public sector banks have been significant at 12% compared with 3.6% growth in Q2-FY19.
- On the other hand net profits of private banks contracted by around 9% during the quarter while losses of public sector banks have narrowed.

Finance

- Net sales of finance companies have moderated from 17.7% in Q2-FY19 to 9.4% in Q2-FY20 owing to lower credit disbursements by these finance companies during the quarter.
- The significant growth in profits of housing finance companies (HFCs) has been on account of a major entity in this segment recording gains via profit on sale of investment which is grouped under “other income”.

Metals

- The contraction in net sales of metal sector has been broad-based across sub-segments like aluminium and other non-ferrous metals. The sales of overall metal sector contracted by 13% in Q2-FY20 as against 18.8% growth registered in Q2-FY19.
- The sales of aluminium companies contracted by 21% while that of non-ferrous metal companies contracted by 4.7% in this quarter. The decline in net sales across this segment can be attributed to overall decline in the prices of metals. The average price of aluminium in Q2-FY20 has been 14% lower from a year ago. Also, the average price of zinc (7.5%), copper (5%) have been lower and negatively affected the top-line.

Steel

- Decline in steel prices and weak demand from user industries impacted sales of the industry with net sales contracting by 16.6% during Q2-FY20 as against 23.5% growth in Q2-FY19.
- The fall in prices of steel products in the range of 4-16% during Q2-FY20 coupled with limited pick-up in consumption of steel at 3.1% during the current quarter as against 9.3% in Q2-FY19 dragged the overall sales lower.
- There has been a moderation in the growth of steel (based on core sector data) from 4.7% in Q2-FY19 to 4.5% in Q2-FY20.

Oil/Refinery/Mining

- There has been a contraction in the net sales and net profits in oil exploration and refineries companies during the quarter.
- The net sales of oil exploration fell by -12.7% while net profits declined by -24.3% in Q2 FY20. The revenues of oil exploration have fallen due to the fall in average crude oil prices by around 18% in Q2-FY20 vis-à-vis Q2-FY19.
- Net sales and net profits of refineries contracted by -10.8% and -14.8% respectively in Q2 FY20. The auto sector slowdown has translated into low demand for fuel which in-turn has led to an inventory build-up and trimming of crude-oil processing activities. The fall in gross refinery margins (GRMs) of the company are getting reflected in the contraction in the net profits.
- Based on IIP data, the mining segment recorded contraction of 1.2% in Q2-FY20 as against a low growth of 0.9% in corresponding quarter year ago.
- Based on core sector data, refineries too recorded contraction of 1.6% in Q2-FY20, significantly lower than 6.6% growth in Q2-FY19.

FMCG (Consumer Food and Household & Personal Products)

- Both sub-components of the FMCG category recorded a moderation in the top-line. Growth in net sales of consumer food declined from 10% in Q2-FY19 to 5.8% in Q2-FY20 while growth in net sales of households and personal products moderated from 10.6% to 4.4%. Both these industries have recorded a perceptible double-digit growth in net profits.
- Moderation in volume growth owing to slow rural demand has affected the net sales of this industry. However, the moderation has been limited as a number of top players in these segments have seen an expansion in their distribution channels aided by the e-commerce segment.
- Non-durable segment in the IIP composition also recorded moderation from 6.1% in Q2-FY19 to 3.1% in Q2-FY20.

Cement

- Cement and construction materials recorded a contraction in net sales of 1.3% in Q2-FY20, significantly lower than 27.6% growth registered in corresponding period year ago. Low volume offtake due to prolonged monsoons and softening of cement prices had a bearing on the net sales of the cement companies.
- The low activity in the Government infrastructure space coupled with subdued activity in the real estate segment also dragged net sales lower.
- There has been a significant decline in the growth of cement (based on core sector data) from 12.5% in Q2-FY19 to 0.4% in Q2-FY20.

Real Estate

- Real estate sector witnessed a contraction of 2.5% in this quarter, notably lower than 38.4% growth recorded in Q2-FY19. The industry continues to witness a slowdown on the back of liquidity challenges in the NBFC space which has constrained both construction activity and sales of real estate segment.
- Despite the challenges, major players continue to record healthy numbers in sales and report new launches especially in mid-income and affordable housing segment.
- Incremental bank credit growth to real estate segment rose by 6.1% during Q2-FY20 as against marginal decline incremental bank credit during corresponding quarter a year ago.

Telecom

- The industry recorded significant losses in Q2-FY20 as against limited profit in Q2-FY19. The loss can be attributed to Supreme Court judgement on Adjusted Gross Revenue (AGR) which led to accounting of charges (including principal, interest, penalty and interest on penalty) as exceptional items in the statements.

Drugs and Pharma

- Net sales of drugs and pharma companies grew at a stable rate of 11% during both Q2-FY19 and Q2-FY20. The growth in industry's revenues is on account of improvement in sales in the international market namely the USA. Also, product launches by some players in the domestic and international markets aided the rise in industry's sales.
- However, IIP data shows a moderation in the manufacture of pharmaceuticals segment from 6.8% in Q2-FY19 to 2.7% in Q2-FY20.

Paints

- There has been a moderation in growth of net sales of the industry from around 10% in Q2-FY19 to 4.7% in Q2-FY20 as the decorative paints segment was affected due to prolonged monsoon while the industrial paints segment was affected due to slowdown in the automobile segment.

Fertilizers

- Fertiliser industry too witnessed contraction in net sales of 4% in Q2-FY20 as against growth of 27.5% in the corresponding period year ago. The fall in the cost of production (input prices) of these companies led to the companies in this industry lowering the MRP (maximum retail price) of the fertilisers, translating into lower sales.
- Fertiliser production (based on core sector data) has seen an improvement from -0.6% in Q2-FY20 to 3.3% in Q2-FY20.

Power Generation/Distribution

- The overall net sales of this industry registered marginal negative growth of 0.7% in Q2-FY20, lower than 9.8% growth recorded in Q2-FY19. The overall subdued power demand from key manufacturing sectors (end-users) like cement and automobile has led to contraction in the top-line of this industry.
- Electricity generation as per IIP data also shows moderation from 7.5% in Q2-FY19 to 0.5% in Q2-FY20.

Glass

- The net sales of the industry contracted by 4.6% in Q2-FY20 as against a notable growth of 24% recorded in corresponding quarter year ago. The contraction can be attributed to sluggish demand from main user industries like automobiles and real estate. The lower demand from the real-estate segment was primarily owing to inventory build-up in recent months.

Airlines

- The net sales of the airline industry rose significantly by 34.7% in Q2-FY20, higher than 13% growth recorded in Q2-FY19. However, the net losses of the airline industry have widened further in Q2-FY20 from a year ago.
- The airline passenger growth (domestic) rose by 9.2% during Q2-FY20 vis-à-vis Q2-FY19.
- The reasons for growth in net sales can be attributed to large seat inventory additions across different routes and market leaders in this segment foraying into international routes.
- At the same time, losses have widened as a result of narrowing passenger yields. The industry continues to face intense competition amidst lower-growth in passenger numbers.

Ceramics

- De-growth in net sales in Q2-FY20 can be attributed to subdued real estate and construction activity.
- The performance of the ceramic players was affected due to general low consumer sentiments, tight liquidity and prolonged monsoons. Further, replacement demand for ceramics has moderated owing to moderation in loans disbursed for home renovation.

Annexure A

Table A.1 below provided information on industry wise performances of 62 industries in terms of net sales growth in Q2 FY19 and Q2 FY20.

Table A.1: Industry-wise net sales and growth

Industry	No. of Companies	Net sales (Rs. Cr.)			% Sales Growth	
		Q2 FY18	Q2 FY19	Q2 FY20	Q2 FY19	Q2 FY20
Consumer Goods (Non-discretionary)	215	79,709	84,403	90,366	5.9	7.1
Consumer Food	56	17,223	18,922	20,026	9.9	5.8
Household & Personal Products	15	14,398	15,920	16,615	10.6	4.4
Pharmaceuticals & Drugs	102	32,746	36,269	40,188	10.8	10.8
Solvent Extraction	12	3,551	3,899	3,341	9.8	(14.3)
Sugar	22	10,025	7,570	8,439	(24.5)	11.5
Tea/Coffee	8	1,767	1,823	1,756	3.2	(3.7)
Consumer Goods (Discretionary)	108	22,193	25,167	25,009	13.4	(0.6)
Consumer Durables - Domestic Appliances	9	4,724	5,555	5,441	17.6	(2.1)
Consumer Durables - Electronics	4	1,628	1,585	2,113	(2.6)	33.4
Textile	95	15,842	18,027	17,454	13.8	(3.2)
Automobiles & Related	81	105,024	120,636	93,230	14.9	(22.7)
Auto Ancillary	58	17,244	20,686	16,248	20.0	(21.5)
Two & Three Wheelers	6	21,223	24,501	21,770	15.4	(11.1)
Passenger Cars	3	33,622	34,540	27,197	2.7	(21.3)
Tractors	3	1,390	1,548	1,489	11.4	(3.8)
Trucks/LCV	4	20,317	26,299	14,770	29.4	(43.8)
Tyres & Allied	7	11,228	13,063	11,756	16.3	(10.0)
Capital Goods	148	27,746	37,016	32,649	33.4	(11.8)
Electric Equipment	33	6,763	8,760	7,588	29.5	(13.4)
Electrodes & Welding Equipment	8	1,153	4,133	1,743	258.6	(57.8)
Electronics - Components	12	282	294	393	4.3	33.6
Engineering	9	1,431	2,165	2,268	51.3	4.7
Engineering - Industrial Equipments	75	16,147	19,067	17,870	18.1	(6.3)
Railways Wagons	3	317	609	847	92.2	39.1
Telecom - Equipment	8	1,654	1,989	1,941	20.3	(2.4)
Metals	87	100,991	120,024	104,467	18.8	(13.0)
Aluminium & Aluminium Products	5	2,700	3,306	2,590	22.4	(21.7)
Metal - Non Ferrous	18	27,726	27,099	25,833	(2.3)	(4.7)
Steel & Iron Products	55	65,877	81,351	67,816	23.5	(16.6)
Steel/Sponge Iron/Pig Iron	9	4,688	8,268	8,227	76.4	(0.5)
Construction/Real Estate	114	27,873	35,797	35,074	28.4	(2.0)
Cement & Construction Materials	33	17,555	22,407	22,108	27.6	(1.3)
Ceramics/Marble/Granite/Sanitaryware	17	2,612	2,725	2,566	4.3	(5.8)
Construction - Real Estate	64	7,706	10,666	10,400	38.4	(2.5)
Banking	36	231,828	251,197	286,332	8.4	14.0
Bank – Private	18	77,079	90,898	106,996	17.9	17.7
Bank – Public	18	154,749	160,300	179,336	3.6	11.9
Finance	235	51,343	60,437	66,112	17.7	9.4

Housing Finance	12	19,335	23,735	27,084	22.8	14.1
Investment	90	575	798	904	38.8	13.3
NBFC	125	17,813	21,837	24,503	22.6	12.2
Term Lending	8	13,620	14,066	13,620	3.3	(3.2)
Services	185	71,647	76,364	87,825	6.6	15.0
Airlines	5	7,196	8,154	10,981	13.3	34.7
Hospital & Healthcare Services	18	3,325	3,713	4,280	11.7	15.2
Hotel, Resort & Restaurants	28	1,791	1,801	1,761	0.6	(2.3)
IT - Software	84	12,046	13,797	15,812	14.5	14.6
Logistics	18	4,525	5,578	5,430	23.3	(2.6)
Retailing	14	14,514	17,057	19,493	17.5	14.3
Shipping	9	1,808	1,990	2,033	10.1	2.1
Telecom - Service Provider	9	26,442	24,273	28,036	(8.2)	15.5
Oil/Refinery/Mining	24	352,521	479,298	426,836	36.0	(10.9)
Mining & Minerals	11	3,839	3,903	3,454	1.7	(11.5)
Oil Exploration	7	21,666	31,946	27,886	47.4	(12.7)
Refineries	6	327,016	443,450	395,497	35.6	(10.8)
Infrastructure	75	78,681	90,208	91,057	14.6	0.9
Engineering – Construction	46	28,356	35,049	35,828	23.6	2.2
Port	2	1,678	1,374	1,270	(18.1)	(7.6)
Power Generation/Distribution	24	46,829	51,400	51,020	9.8	(0.7)
Ship Building	1	583	799	971	37.1	21.5
Transmission Towers / Equipments	2	1,235	1,585	1,967	28.3	24.1
Others	293	103,699	133,895	127,867	29.1	(4.5)
Diamond & Jewellery	11	15,591	17,698	19,957	13.5	12.8
Dyes & Pigments	14	1,083	1,281	1,196	18.3	(6.6)
Fertilizers	17	17,385	22,168	21,279	27.5	(4.0)
Glass	11	1,445	1,794	1,711	24.2	(4.6)
Industrial Gases & Fuels	8	21,559	31,883	29,702	47.9	(6.8)
Paints	5	6,644	7,316	7,661	10.1	4.7
Paper & Paper Products	36	4,125	5,439	4,947	31.9	(9.0)
Pesticides & Agrochemicals	17	7,619	8,642	9,976	13.4	15.4
Plastic Products	66	8,881	10,950	9,532	23.3	(12.9)
Rubber Products	7	237	290	287	22.5	(1.0)
Trading	101	19,131	26,434	21,621	38.2	(18.2)

Note: NA - movement from profit/loss to loss/profit

Source: Ace Equity, CARE Ratings estimation

- 19 out of 62 industries have registered a double digit growth in Q2 FY20 in terms of net sales namely airlines, railway wagons, electronic- components, private banks, telecom-service provider, IT software among others.
- 37 industries have registered negative growth in the net sales during the quarter.
- Electrodes and Welding Equipment, Trucks & LCV, aluminium, auto ancillary, trading among others recorded negative sales growth in Q2-FY20 compared with significant positive growth in net sales in corresponding quarter a year ago.

Annexure B

Table A.2 below provided information on industry wise performances of 62 industries in terms of net profit growth in Q2FY19 and Q2 FY20.

Table A.2: Industry-wise net profits and growth

Industry	Net profit (Rs. Cr.)			% Net Profit Growth	
	Q2 FY18	Q2 FY19	Q2 FY20	Q2 FY19	Q2 FY20
Consumer Goods (Non-discretionary)	6,648	9,592	13,788	44.3	43.7
Consumer Food	(1,696)	1,434	1,827	NA	27.4
Household & Personal Products	2,279	2,608	3,105	14.5	19.0
Pharmaceuticals & Drugs	5,437	5,088	8,767	(6.4)	72.3
Solvent Extraction	50	84	(360)	69.3	NA
Sugar	229	(95)	153	NA	NA
Tea/Coffee	349	474	297	35.7	(37.3)
Consumer Goods (Discretionary)	(4,347)	136	1,386	NA	921.7
Consumer Durables - Domestic Appliances	323	337	398	4.2	18.0
Consumer Durables – Electronics	105	109	150	3.2	37.5
Textile	(4,776)	(310)	839	NA	NA
Automobiles & Related	9,019	10,010	6,462	11.0	(35.5)
Auto Ancillary	1,388	1,656	971	19.3	(41.4)
Two & Three Wheelers	2,834	2,836	3,117	0.1	9.9
Passenger Cars	3,811	3,891	2,572	2.1	(33.9)
Tractors	97	116	124	19.8	6.3
Trucks/LCV	89	669	(1,253)	649.2	NA
Tyres & Allied	799	842	932	5.4	10.7
Capital Goods	1,291	3,220	852	149.5	(73.5)
Electric Equipment	(80)	41	(717)	NA	NA
Electrodes & Welding Equipment	221	1,826	382	727.6	(79.1)
Electronics – Components	5	(10)	9	NA	NA
Engineering	193	331	217	71.5	(34.4)
Engineering - Industrial Equipments	1,022	1,302	1,177	27.5	(9.6)
Railways Wagons	(9)	13	20	NA	57.0
Telecom - Equipment	(60)	(283)	(236)	NA	NA
Metals	4,365	6,212	11,024	42.3	77.5
Aluminium & Aluminium Products	242	517	(24)	114.0	NA
Metal - Non Ferrous	3,509	2,179	5,071	(37.9)	132.8
Steel & Iron Products	875	3,088	6,206	252.8	101.0
Steel/Sponge Iron/Pig Iron	(262)	428	(229)	NA	NA
Construction/Real Estate	890	1,383	3,310	55.5	139.3
Cement & Construction Materials	949	702	1,295	(26.1)	84.6
Ceramics/Marble/Granite/Sanitaryware	150	94	138	(37.8)	47.1
Construction - Real Estate	(210)	588	1,878	NA	219.3
Banking	6,344	(4,129)	5,377	NA	NA
Bank – Private	10,431	6,708	6,104	(35.7)	(9.0)

Bank – Public	(4,087)	(10,837)	(727)	NA	NA
Finance	10,135	13,259	12,194	30.8	(8.0)
Housing Finance	3,998	4,733	6,389	18.4	35.0
Investment	294	544	370	84.9	(31.9)
NBFC	3,416	4,801	2,861	40.6	(40.4)
Term Lending	2,428	3,182	2,574	31.1	(19.1)
Services	(5,625)	3,478	(77,813)	NA	NA
Airlines	660	(1,039)	(1,532)	NA	NA
Hospital & Healthcare Services	191	188	252	(1.6)	34.6
Hotel, Resort & Restaurants	(9)	121	177	NA	45.8
IT - Software	2,819	3,675	3,508	30.3	(4.5)
Logistics	425	528	(290)	24.2	NA
Retailing	423	566	607	33.9	7.2
Shipping	(255)	(932)	(775)	NA	NA
Telecom - Service Provider	(9,878)	372	(79,759)	NA	NA
Oil/Refinery/Mining	23,859	24,753	20,169	3.7	(18.5)
Mining & Minerals	1,194	1,162	943	(2.7)	(18.8)
Oil Exploration	5,819	9,228	6,987	58.6	(24.3)
Refineries	16,846	14,363	12,239	(14.7)	(14.8)
Infrastructure	9,825	986	11,562	(90.0)	1,072.9
Engineering – Construction	1,399	819	2,300	(41.4)	180.8
Port	726	743	554	2.3	(25.5)
Power Generation/Distribution	7,630	(698)	8,405	NA	NA
Ship Building	100	148	208	47.3	40.6
Transmission Towers / Equipments	(30)	(26)	97	NA	NA
Others	5,877	7,178	7,849	22.1	9.4
Diamond & Jewellery	579	548	500	(5.4)	(8.8)
Dyes & Pigments	107	136	110	26.8	(19.2)
Fertilizers	904	1,013	720	12.0	(28.9)
Glass	25	36	52	41.7	45.6
Industrial Gases & Fuels	2,071	2,730	2,577	31.8	(5.6)
Paints	753	731	1,202	(2.9)	64.6
Paper & Paper Products	79	389	347	391.5	(10.8)
Pesticides & Agrochemicals	1,112	907	1,039	(18.4)	14.5
Plastic Products	359	427	342	18.9	(20.0)
Rubber Products	11	15	19	36.3	27.1
Trading	(124)	247	941	NA	281.5

Note: NA - movement from profit/loss to loss/profit

Source: Ace Equity, CARE Ratings

- 22 out of 62 industries have registered double digit growth in the net profits in Q2 FY20 namely trading, engineering, steel & iron products, metals (non-ferrous), construction (real estate), cement and construction materials among others.
- 21 industries recorded contraction in net profits which include electrodes, auto ancillary, NBFCs, passenger cars, fertilisers, engineering among others.

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