Industry Roundup – FY19

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Overview

As FY19 has come to an end, we provide a quick recap of performance of major industries during the year compared with the previous year. Performance of the industries is based on the production and sales as major indicators. Besides, the study also covers other indicators such as consumption, prices, trade data, etc. for relevant industries.

PART I: Industry wise performance – FY19

The following 28 industries have been covered in the study:

1. Agri-allied industries: A. Fertilizers B. Agrochemicals
2. Automobiles
3. Aviation
4. Base Metals: A. Aluminium B. Copper C. Lead D. Nickel E. Zinc
5. Cement
6. Ceramics – Tiles & Sanitaryware
7. Consumer durables
8. Drugs & Pharmaceuticals
9. Edible oils
10. Education
11. FMCG
12. Gems & Jewellery
13. Glass
14. Iron ore
15. Information Technology (IT)
16. Media & Entertainment
17. Oil & Gas: A. Crude oil B. Natural Gas C. Refinery products
18. Paper & paper products
19. Ports
20. Power
21. Real Estate
22. Roads & Highways
23. Shipping & Ship Building
24. Sugar
25. Steel
26. Telecom
27. Textiles: A. Cotton yarn B. Man-made Fibres C. Apparels
28. Tourism

PART II: Industry wise borrowings – FY19

PART III: Industry wise Capex – FY19

PART IV: Industry wise Financials – 9M - FY19

PART I

Agri-Allied Industries

A. Fertilizers

Table 1: Domestic fertilizer Production (April-January)

(LMT - Lakh Metric Tonnes)	FY18	FY19	Growth (%)
Fertilizers Production	346	345	(0.3)

Source: Office of the Economic Advisor

Overall fertilizer production has declined marginally by 0.3% in the current financial year. Fertilizer production has decreased on account of increase in key raw material prices which has impacted the production of fertilizers on an overall basis. Destocking of channel inventory too has also led to the fall in production on a cumulative basis.

Major Developments:

- Margins to be paid to urea dealers increased by 97% to Rs 354/MT.

B. Agrochemicals

Table 2: Production of Agrochemicals (April-January)

000'tonnes	FY18	FY19	Growth (%)
Agrochemicals Production*	179	185	3.3

Note: *Technical grade

Source: CMIE

Production of agrochemical has increased by 3.3% in-lieu of the new product additions which are formulated to combat the pest attacks. Labour shortage, rising labour costs and growth in GM crops has led to the increase use of herbicides while growth in Indian horticulture industry has led to the increase in use of fungicides in India.

Exports of agrochemicals (Insecticides, Rodenticides, Fungicides, Herbicides, Anti-sprouting products and plant growth regulators, disinfectants) have increased by 12.4% during FY19 (April-January). Exports of key agrochemicals; insecticides, fungicides and herbicides have increased by 15.6%, 18.3% and 4.1% respectively in the same time period.

Automobiles

Table 3: Automobiles sales & exports (April – February)

(Numbers)	Auto Sales			Auto Exports		
	FY18	FY19	Growth (%)	FY18	FY19	Growth (%)
A. Passenger vehicles	**3,664,940**	**3,698,011**	**0.9**	**677,081**	**612,091**	**(9.6)**
Passenger cars	2,509,066	2,502,501	(0.3)	526,124	461,891	(12.2)
Vans	175,755	200,295	14.0	1,677	3,505	109.0
MUVs	978,698	990,957	1.3	147,859	142,717	(3.5)
Quadricycles	1,421	4,258	199.6	1,421	3,978	179.9
B. Commercial vehicles	**834,080**	**985,117**	**18.1**	**85,893**	**89,441**	**4.1**
M&HCVs	334,308	391,219	17.0	39,336	44,177	12.3
LCVs	499,772	593,898	18.8	46,557	45,264	(2.8)
C. Two & Three Wheelers	**21,936,711**	**23,914,903**	**9.0**	**2,915,668**	**3,539,445**	**21.4**
Two-wheelers	21,024,141	22,761,100	8.3	2,566,331	3,020,373	17.7
Three-wheelers	912,570	1,153,803	26.4	349,337	519,072	48.6
Total (A+B+C)	**26,435,731**	**28,598,031**	**8.2**	**3,678,642**	**4,240,977**	**15.3**

Note: MUVs - Multi utility vehicles, M&HCVs – Medium & heavy commercial vehicles, LCVs – Light commercial vehicles
Source: CMIE

- Automobile industry witnessed a y-o-y sales growth of about 8.2% and exports grew by over 15% during FY19 (Apr-Feb)
- In terms of sales, the sharpest growth of over 18% was witnessed in commercial vehicle sales followed by a 9% growth in two & three wheelers. Passenger vehicles registered a meagre growth of about 0.9% y-o-y in sales during the period.
- Two & three wheelers witnessed the sharpest growth of over 21% in exports during the year followed by commercial vehicles that registered a growth of about 4.1% y-o-y. Exports of passenger vehicles, however, declined by over 9.6% y-o-y during FY19 (Apr-Feb) led by decline in exports of passenger cars and MUVs.

Major policies announced:

- Load carrying capacity of heavy vehicles (including trucks) raised by 20-25%
- The Insurance Regulatory and Development Authority of India (IRDAI) introduced two new sets of rules in October 2018 where the total outflow towards insurance has gone up in 2 ways –
  - upfront payment of insurance premium and
  - increase in compulsory personal accident cover for owner under motor insurance policies from Rs 2 lakh to Rs 15 lakh.
- FAME II scheme gets a Rs 10,000 crore clearance from the Union Cabinet

Aviation

The airline industry continued its double digit growth momentum and air-passenger traffic clocked 13.8% growth during the 10month period. The passenger numbers moderated as higher crude oil prices led to airlines passing on the costs to passengers, which led to increase in fares. Cancellation of flights, grounding of aircrafts etc. also led to moderation in traffic.

Table 4: Passenger Traffic (April – January)

(Million)	FY18	FY19	Growth (%)
Passenger traffic	254	289	13.8

Source: CMIE

The industry has been lately facing disruption due to grounding of aircrafts led by banning of certain models of aircrafts of Boeing by the aviation regulator and disruption in operations of few airlines due to technical issues with Airbus A320 aircrafts. Financial stress in two of the largest airlines in the country has meant overall slowdown in seat inventory addition in the country. Profitability has improved in the Q3FY19 as crude prices stabilize below $70 per barrel.

Base Metals

A. Aluminium

Table 5A: Domestic Production of Aluminium (April-December)

(000' Tonnes)	FY18	FY19	Growth (%)
Aluminium Production	2,486	2,780	11.8

Source: Company Filings

Production of primary aluminium has increased by 11.8% y-o-y during 9M-FY19 given better operational efficiencies due to stable operations and better capacity utilization. Production has also increased on account of additions made to the existing production capacity.

Global aluminium prices have increased marginally by 0.4% in the current fiscal year (April-February). Prices had increased sharply during April 2018 because of the imposition of sanctions on Russian aluminium manufacturer United Co. Rusal (largest aluminium producer outside of China) by the US government which had caused a rally amidst the fears of facing a shortage in the global markets. During the year, fears of a global slowdown due to the tariff wars between US the China and appreciation of the US dollar have been responsible in dragging the global aluminium prices on an overall basis.

B. Copper

Table 5B: Domestic Production of Copper (April-February)

000'tonnes	FY18	FY19	Growth (%)
Copper Production	766	415	(45.9)

Source: Ministry of Mines

Domestic refined copper production has fallen by 45.9% during FY19 (April-February). Fall in production is mainly attributable to the permanent shutdown of the 400 thousand tonne, Tuticorin smelter which accounted for 40% of the country's copper smelting capacity. Fall in production has led to the domino effect of fall in exports and rise in imports of refined copper.

Global copper prices have decreased marginally by 1.2% in the current fiscal year (April-February). Given its wide spread application in most sectors of the economy — from homes, factories to electronics, power generation and transmission, prices of copper are usually used as a barometer to gauge the health of the economy. The tariff wars between China and the US which led to fears of a global slowdown and appreciation of the US dollar have supressed the global copper prices during the fiscal.

Major policies announced:

- The Supreme Court refused to allow the reopening of Vedanta's Sterlite plant in Tamil Nadu, Tuticorin, but granted the company liberty to approach the High Court.

C. Lead

Table 5C: Domestic Production of Lead (April-February)

000'tonnes	FY18	FY19	Growth (%)
Lead Production	150	176	17.2

Source: Ministry of Mines

- Primary lead production has increased by 17.2% on account of availability of lead mined.
- Global lead prices have fallen by 10.6% during FY19 (April-February). The global on-going trade wars, appreciation of the dollar and fears of a global slowdown led to the fall of global lead prices.

D. Nickel

LME Nickel prices for the period FY19 (April-January) saw around 10% volatility. The average price of LME nickel stood at $12,883 per metric tonne for the period April-Feb FY19 as against $10,960 per metric tonne in the corresponding period previous year. Imports of nickel came down by 4% from 8.14 thousand tonnes in FY18 (April-January) to 7.82 thousand tonnes in FY19 (April-January). The reduction in imports is attributed partly to the moderated growth in stainless steel production over the past couple of years.

E. Zinc

Table 5D: Domestic Production of Zinc (April-February)

000'tonnes	FY18	FY19	Growth (%)
Zinc Production	714	631	(11.7)

Source: Ministry of Mines

Zinc ingot production during FY19 has decreased by 11.7% y-o-y on account of lower availability of zinc concentrates. Zinc concentrates production was lower due to the closure of the open-cast mines. All zinc mines in India are now transformed to underground mines.

Prices of zinc have been declining since the start of FY19. Prices of zinc have fallen by 9.9% during FY19 (April-February) compared with the corresponding period in the previous year. Zinc prices have been impacted by concerns of a slowdown in the steel industry due to imposition of tariffs (25%) on steel imports by the US government. The global on-going trade wars, appreciation of the dollar and fears of a global slowdown have also been responsible in bringing the prices of zinc down.

Cement

Cement production volume grew by 13.5% during the 10-month period in FY19. Revenue for most cement companies have grown in double digits but the profitability has been impacted by increased commodity prices like crude oil and coal, which increases their fuel & power, raw materials and transportation costs.

Table 6: Cement Production (April – January)

(Million Tonnes)	FY18	FY19	Growth (%)
Cement Production	242.7	275.7	13.6

Source: Ministry of commerce

Resolution of large distressed assets has led to consolidation in the sector over the last 24-months. The overall financial costs have reduced for the industry as additional expansion in capacity is being funded through internal accruals.

Major policies announced and other drivers:

- Increased spending on infrastructure by government and gradual pick-up in real-estate, especially affordable housing is a major driver of cement demand. Reconstruction activity on account of few Southern states struck by natural disasters, has led to considerable demand from retail segment or individual house builders which has led to increase in prices of cement in the region.

Ceramics – Tiles and Sanitaryware

Table 7: Production of Ceramic Tiles (April – January)

(000 Tonnes)	FY18	FY19	Growth (%)
Production of Tiles	1,914	1,795	(6.19)

Source: CMIE

Table 8: Trade in Ceramic Tiles and Sanitaryware (April – January)

(000)	Import			Export		
	FY18	FY19	Growth (%)	FY18	FY19	Growth (%)
Tiles (in Square Meters)	6,154	3,765	(38.8)	198,074	235,760	19.0
Sanitaryware (Tonnes)	53,905	58,149	7.9	118,813	157,328	32.4
Other Ceramic Bricks and Tiles (Tonnes)	45,126	34,143	(24.3)	5,117	6,109	19.4

Source: Department of Commerce

- De-growth in production is attributed to moderation in the overall growth of the real estate sector.
- Reduced demand in the domestic market and a depreciating rupee, paved a way for higher ceramic exports, which recorded an average growth of 23% for the industry as a whole.
- In FY19, capacity addition in the industry is likely to overtake the consumption demand. Project completions (in terms of cost), stood at Rs 460 crores for FY18 and has been Rs 445 crores up to Q3FY19.
- Segment wise, performance of the sanitaryware has been better than tiles owing to the projects undertaken by the Swachh Bharat Mission.

Consumer Durables

Table 9: Production of consumer durables (April – January)

(000 Numbers)	FY18	FY19	Growth (%)
Air- conditioners	2,690	2,466	(8.3)
Refrigerators	10,691	12,422	16.2
TV Sets	4,654	3,054	(34.4)
Washing & laundry Machines	5,337	5,918	10.9
Fans	20,167	21,773	8.0
Electric cooking appliances	1,738	1,974	13.6
Electric water heaters	87	59	(32.8)
Electric filament type lamps	695	482	(30.7)
Fluorescent tubes & CFLs	193,062	136,637	(29.2)
Incandescent lamps	522,848	452,782	(13.4)

Source: CMIE

- With weather fluctuations in FY19, extended heavy rainfall in some parts of the country, extreme cold weather in the North, demand for air-conditioners was hit registering a decline of over 8% in production during the period.
- Demand for consumer durables has remained subdued during the year on back of overall weak consumer sentiments. Rural demand lagged due to lower incomes during harvest time in some regions.
- Production of television sets (TVs) was minimal in India with majority of players importing TV sets or parts and assembling them to sell in India. However, after the change in the duty structure earlier in FY19 that would make local manufacturing cheaper by about 5-7%, local production of high end premium category OLED and 4K models at component stage has been started. Companies are also locally assembling panels and making printed circuit boards (PCBs) and moulds.

Major policies announced:

- The Ministry of Electronics & Information Technology released a draft National Policy on Electronics Policy in October 2018
- New ‘Consumer Protection Bill, 2018’ has been approved by the Union Cabinet in December 2018 and will replace the existing Consumer Protection Act of 1986 ("Act")
- GST on Monitors and TVs of up to screen size of 32 inches, power banks of lithium ion batteries, digital cameras and video cameras brought down to 18% from 28%

Drugs & Pharmaceuticals

Exports: Exports are a major source of revenue for the Indian pharma industry as it accounts for about 50% of the industry’s sales. Among the various countries to which India makes outbound shipments, USA is the primary export destination accounting for about 30% of the total exports by industry.

Table 10: Pharma exports from India (April-February)

(in USD billion)	FY18	FY19	Growth (%)
USA	4.6	5.2	13.1
Other parts of the world except USA	10.9	11.9	9.6
Total (World exports)	15.5	17.2	10.6

Source: CMIE

Pharma exports from India grew by 10.6% to USD 17.2 billion during April 2018-February 2019 compared with the corresponding period a year ago. A stabilizing or decline in price erosion environment of USA and drug launches by pharma companies aided the growth in industry's exports. Outbound shipments to USA improved by 13.1% to USD 5.2 billion and exports to other parts of the world except USA increased by 9.6% to USD 11.9 billion on a y-o-y basis.

Major policies announced:

- In February 2019, the National Pharmaceutical Pricing Authority (NPPA) brought 42 non-scheduled anti-cancer drugs under price control, through Trade Margin Rationalization.

Edible oils

Imports: During April 2018-February 2019, the total edible oil imports declined by 5% y-o-y to 14.1 million tonnes. Imports of crude oils fell by 3.2% to 11.3 million tonnes and imports of refined oil decreased at a faster pace of 14.1% to 2 million tonnes. Resultantly, the share of crude oils in total edible oil imports increased to 84.9% during April 2018-February 2019 compared to its share of 83.3% in the corresponding period a year ago and the share of refined oils contracted to 15.1% from 16.7% earlier. The fall in total edible oil imports can be primarily attributed to the consecutive import duty hikes undertaken by the government on variety of edible oils during the year.

Table 11: Import of edible oils (April-February)

	FY18 (in million tonnes)	Share in FY18	FY19 (in million tonnes)	Share in FY19	Growth (in %)
Crude oils	11.7	83.3%	11.3	84.9%	(3.2)
Refined oil	2.3	16.7%	2	15.1%	(14.1)
Total edible oils	14.1		13.3		(5)

Source: CMIE and SEA

Prices

In addition to imports, the increase in import duty is also believed to have influenced the trend in domestic edible oil prices. The domestic prices of soybean and palm oil increased in the range of 9%-13% on a y-o-y basis during April 2018-February 2019. This was despite a decline in international palm and soybean oil prices. The Malaysian and North-West European palm oil prices fell by 15%-19% and the Netherland crude soybean oil prices decreased by 13.2% on a y-o-y basis during the mentioned period.

Table 12: Domestic edible oil prices (April-February)

(Rs/kg)	FY18	FY19	Growth (in %)
Soybean oil refined	66.7	75.2	12.7
Palm oil refined	58.7	67	14.2
Palm oil crude	53.1	58	9.3

Source: CMIE

Major policies announced:

- In March 2018, import duty on crude palm oil was increased to 44% from 30% and import duty on refined palm oil was raised to 54% from 40%
- The import duty on crude soft oils was hiked to 35% from 25%-30% and import duty on refined soft oils was increased to 45% from 35% in June 2018. Also import duty on crude and refined cottonseed oil was raised by 10% each to 35% and 45%, respectively
- The Ministry of Agriculture and Farmers Welfare released an agenda in September 2018 with respect to oilseed production and edible oils output target that are estimated to be achieved by 2022
- In January 2019, the import duty on palm oil from Malaysia and Indonesia was reduced to 40% from 44% and the import duty on refined palm oil from Malaysia and Indonesia was lowered to 45% and 50%, respectively, from 54%.

Education

Major policies announced:

- The Draft Higher Education Commission of India Bill, 2018 seeks to replace the existing UGC with the Higher Education Commission of India (HECI) to promote autonomy of higher education institutions, reduce the scope of regulation, and eliminate interference in the management of higher educational institutions.
- Scheme for Higher Education Youth in Apprenticeship and Skills (SHREYAS) was launched to provide apprenticeship opportunities and enhance employability through the National Apprenticeship Promotional Scheme (NAPS).

Fast Moving Consumer Goods (FMCG)

- In FY19, the growth in FMCG industry was supported by rising disposable income, growing rural penetration, lowering of GST rates, etc. In addition to this, a notable increase in online users has led to the growth of E-commerce segment contributing to the overall FMCG sales.
- In Q3-FY19, the companies operating in this industry recorded high volume growth owing to shifting of festival season in this quarter, favourable monsoon, improving market sentiments as the industry got used to the implementation of GST and other macro -economic factors. At the same time, Ayurveda products have seen an increase in demand with consumers getting health conscious and focusing on improving their lifestyle. Budget 2019 announcements in favour of rural economy are likely to boost demand from the rural segment in coming months.
- Based on the IIP growth in non-durable consumer goods increased by 4.1% during the first 10 months of the year compared with 10.1% last year.

Gems & Jewellery

India's gold imports dropped by 5.5% to $29.5bn in FY19 (April 18 - February 19), total gold imports in the corresponding period of FY18 were $31.2bn.

Table 13: Gems and Jewellery Trade (April – February)

	Rs. billion			USD billion		
	FY18	FY19	% change	FY18	FY19	% change
Export	1,960.6	1,994.2	1.7%	30.4	28.5	-6.3%
Imports	1,861.6	1,677.9	-9.9%	28.9	24.0	-17.0%

Source: Gems & Jewellery Export Promotion Council, CMIE

Imports of gems & jewellery declined by 17% to $24bn in YTD FY19 as compared to $28.9bn in the year-ago period, while the fall in imports in rupee terms was lower at 9.9%, to Rs 1,677.9bn in FY19 as compared to Rs 1,861.6bn in FY18. The fall in imports was primarily due to lower imports of rough diamonds, which was marginally offset by higher imports of gold bars and jewellery.

The exports of gems & jewellery fell by 6.3% to $28.5bn in FY19 as compared to $30.4bn in FY18, while rupee denominated exports were marginally up by 1.7% to Rs 1,994.2bn in FY19 compared to Rs 1,960.6bn in FY18. The decline can be primarily attributed to lower gold (Medallions & Coins) and silver exports, which was mitigated by higher C&P diamonds and jewellery exports.

Table 14: Precious Metal Prices (April – February)

	FY18	FY19	% change
Gold (Rs./10 gm)	29,200.3	31,114.9	6.6%
Gold ($/troy oz)	1,281.0	1,259.4	-1.7%
Silver (Rs./kg)	38,887.9	38,398.6	-1.3%
Silver ($/troy oz)	16.9	15.4	-8.9%

Note: Silver Prices ex Delhi
Source: CMIE

Gold prices for FY19 increased by 6.6% domestically but dropped marginally by 1.7% internationally. Domestic gold prices rose on account of domestic demand and a volatile rupee which has depreciated against the US dollar. The international prices however fell due to the relatively strong dollar and higher global equity markets. In FY19, domestic and international prices fell by 1.3% and 8.9%, respectively. This reduction could be attributed to reduced purchases by industrial units and coin makers.

- GJEPC plans to set up 'India Jewellery Park' in Navi Mumbai with investment of Rs 144.7bn
- In the near future, a spot gold exchange has been proposed to be set up and hallmarking is set to be made compulsory

Glass

Table 15: Production of varieties of glass (April 2018 – January 2019)

Glass type	FY18	FY19	Growth
Glass sheet ('000 sq. mts.)	71,637	76,644	7%
Fibre glass (tonnes)	97,845	91,197	-7%
Glassware (Rs. mn)	28,285	32,734	16%

Source: CMIE

Demand from user industries impacted output of various varieties of glass during the year. In FY19 (up to January 2019), production of glass sheet grew 7% to 76 mn sq. mts. when compared with same period last year. Glass sheet (including toughened glass) finds its application in real estate, automobiles and smart phones.

Production of fibre glass, essentially used in telecom, automobile and construction industries, fell from June – August 2018 by 45%, but rose sharply from September 2018 – January 2019 by 224%. While increase in output of automobiles helped fibre glass to witness rise in business orders, slowdown in construction activity restricted the rise. On a cumulative basis, its output fell by 7% in FY19 (upto January 2019) compared with corresponding period last year.

Glassware which finds its usage in making flower pots, decorative glassware, table wares, drinking containers and lamps and lamp-wares saw its output rise 16% to Rs 32.7 bn, compared with same period last year. Production of solar glass has gained momentum during the quarter, with rising demand for 2 mm glass. The companies operating in this industry faced cost pressures, due to Rupee depreciation and rising gas prices.

Major policies announced:

- As per a notification dated, February 26, 2019, Ministry of Finance, GOI has imposed the long awaited anti-dumping duty on textured tempered coated and uncoated glass, originating in or exported from Malaysia for a period of 5 years. The duty amount is USD 114.58/MT.

Iron ore

Table 16: Production and trade of iron ore

(000 Tonnes)	Months	FY18	FY19	Growth
Production	Apr-July	64,837	65,868	1.6%
Imports	Apr-Jan	5,957	11,995	101%
Exports	Apr-Feb	20,853	14,076	-32%
Exports of iron ore pellets	Apr-Jan	7,979	7,374	-7%

Source: CMIE

- Iron ore production in FY19 (up to July 2018) aggregated to 65.8 mn tonnes. The imports surged 101% from April 2018 – January 2019 compared with same period last year. Out of the total imports of 11.9 mn tonnes, Australia's share was highest at 57%. In the month of July 2018 alone, imports peaked to 1.9 mn tonnes, the highest in any month in past 5 years. Surge in imports can be attributed to varying ore grades in iron ore producing states leading to price differences. In addition to this, a significantly low import duty of ~2.5% encourages iron ore imports in the country.
- Indian iron ore exports declined 32% to 14 mn tonnes in initial 11 months of FY19. China was the principal iron ore importer from India with 75% share or 10.5 mn tonnes. The export duty in India for iron ore is currently high at ~30%.
- Exports of iron ore pellets declined ~7% during April 2018 – January 2019, due to uncertainty of winter output cuts in China and slow inquiries from non-Chinese markets.

Prices

From April – October 2018, prices of high grade iron ore lumps rose ~37% and reached its 5-year high in October 2018. However, they declined 14% from November – December 2018. While global iron ore prices were stable in the range of

USD 65-75/ dmtu up to December 2018, they peaked in February 2019 reaching USD 88/dmtu (highest since August 2014), which can be attributed to the Vale's mine dam collapse in Brazil in January 2019. Worries on global iron ore supply crisis inflated the global prices of the ore.

Information Technology (IT)

Client additions, growth in main geographies such as Americas and Europe, along with growth in key verticals such as BFSI, retail, life sciences and healthcare and other emerging segments, led to the growth of IT sector in India. Digital revenues have risen every quarter, with increasing demand from industries for implementation of new techs like AI, machine learning, blockchain, cloud computing, etc.

While employee costs have risen due to increase in employee headcount and growing local hiring in US, Rupee depreciation benefitted margins of this export oriented industry in H2-FY19.

Top IT majors reported a rise in net hiring during the year following good business wins and substantial part of the hiring was made up of local hires. There is a growing demand for individuals with knowledge in emerging technologies such as Artificial Intelligence, data analytics, machine learning, etc. These are the skills IT services firms seek in their employees and a willing to pay a premium for.

The increasing protectionist measures imposed by USA through H-1B visas, have most affected the Indian IT majors. Top Indian IT majors including TCS, Infosys, Wipro and US arms of HCL Tech and Tech Mahindra cumulatively saw 5,809 H-1B visa denials from October 2017 – September 2018.

Media and Entertainment (M&E)

Out of the total 10 segments, TV, print and cinema are the largest three segments cumulatively generating ~74% revenues of the M&E sector. Advertising grew at a healthy pace, with digital segment clocking growth of more than ~30%. Over The Top (OTT) witnessed growing penetration, especially in urban cities of the country. This was essentially supported by low data prices and availability of low cost smart phones. OTT acts as a threat to other segments of M&E sector, especially TV and films industry, by offering variety and quality content.

Print segment grew due to factors such as increasing literacy rates in the country and extremely affordable printed copies. However, this industry is facing threat from the digital segment, as users increasingly go online. H1-FY19 experienced decline in margins, due to limited advertising revenues owing to shifting of the festive season to the 3rd quarter with muted ad spends in auto, education and retail industries. The year was affected by rise in newsprint prices coupled with Rupee depreciation and rise in commodity prices.

The cinema segment has witnessed consolidation during the year, with capex undertaken by few of the top exhibitors. India is currently underpenetrated with just ~10,000 screens, while China with similar population as ours has 2x the number of screens. A focus on content driven films has helped drive occupancy rates and footfalls in theatre screens. The footfalls of top players grew with the increase in number of properties.

TV industry with about 66% penetration in India has an untapped opportunity of another 100 mn households in the country. Subscription and advertising revenues in this industry grew at a healthy pace. By the end of the year, industry was affected by the implementation of new tariff order on TV channel pricing. Phase 4 markets, increasing TV households, urbanization, growing multi-TV households, rural electrification and an improving consumer sentiment remained the primary drivers of cable and DTH subscriber additions. The M&E sector in 2019 is expected to grow on the back of healthy advertising expenses on big events such as elections, cricket world cup, IPL cricket, etc.

Major policies announced:

- In December 2018, GST rates for movie tickets priced above Rs.100, reduced from 28% to 18% and from 18% to 12% for movie tickets priced below Rs 100.
- In January 2019, Ministry of Information and Broadcasting hiked the advertisement rates for print media by 25% over and above the existing rate structure for advertisement in print media by the Bureau of Outreach and Communication (erstwhile DAVP).
- In February 2019, Telecom Regulatory Authority of India (TRAI) implemented a new tariff order, wherein Television (TV) viewers can pick and choose the channels they wish to watch and pay for only those selected few, rather than the earlier system of paying for a bundle of channels that were being pushed to viewers at a fixed rate.

Oil and Gas

A. Crude Oil

Table 17: Domestic Production of Crude oil (April-February)

Million barrels	FY18	FY19	Growth (%)
Domestic Crude Oil Production	239	230	(3.8)

Source: PPAC

Crude oil production has fallen by 3.8% in of the current financial year (April-February). This has been the lowest output recorded in the past nine years during the same period. Over the years crude oil production has been falling mainly due to ageing fields leading to a fall in output from nearly all the offshore and onshore blocks. Increase in the domestic consumption of crude oil has led to an increase in India’s import dependency from it being 86.1% to 86.9% currently.

Prices of crude oil have been volatile since the start of FY19. Crude oil price rose to its highest (in the past 2 years) during the first week of October 2018 due to worries of a supply shortage with the approach of the US imposed sanctions on Iran. In retrospect oil prices also fell sharply with the US granting a temporary 180-day waiver to 8 countries - India, China, Italy, Greece, Japan, South Korea, Taiwan and Turkey. Crude oil prices also fell with the rise in US crude oil production and with global sentiment hovering towards the slowdown in the global economy.

Prices of crude oil have been recovering since the beginning of January 2019 ever since the OPEC and OPEC+ production cuts have come into play coupled with the sanctions on Venezuela and Iran by the US.

Major Developments:

- The Union Cabinet approved the establishment of additional 6.5 Million Metric Tonne (MMT) (which is approximately equivalent to 48 million barrels) Strategic Petroleum Reserve (SPR) facilities.
- Upstream companies permitted to explore unconventional hydrocarbons such as shale oil/gas, coal bed methane (CBM) in the existing Production Sharing Contracts (PSCs).
- The Union Cabinet approved reforms focused on liberalising exploration and production of oil and gas blocks, enhancing production from existing producing fields of NOCs and simplifying the approval processes.

B. Natural Gas

Table 18: Net Production/availability (excluding flare gas and loss) of Natural Gas (April-February)

(mmscm)	FY18	FY19	Change (%)
Domestic Natural Gas Production	29,029	29,316	1.0%

Source: PPAC

Domestic natural gas production has increased by 1% as a result of increase in production from the gas blocks of ONGC. Import dependency based on consumption has increased from it being 45% to 45.8% during FY19 (April-February).

Domestic gas price which is revised on a 6-monthy basis had increased during FY19. For H1-FY19, domestic gas price was fixed at USD 3.06/mmBtu, which was a 5.9% increase from the previous gas price. For H2-FY19 domestic gas price was fixed at USD 3.36/mmBtu, which was a 9.8% increase from the previous gas price.

C. Refinery Products

Table 19: Domestic refinery Production (April-February)

000'metric tonnes	FY18	FY19	Growth (%)
Refinery Products Production*	2,32,258	2,39,345	3.1

Note:*Production of Refinery products includes, LPG, Naphtha, MS- IV, MS-VI, MS others, ATF, SKO, HSD- IV, HSD-VI, HSD others, LDO, Lubes, FO, LSHS, Bitumen, RPC/Petcoke and a few more

Source: PPAC

The production of the refinery products has risen during FY19 (April-February) registering a 3.1% growth. The rise in production could be attributed to the rise in energy needs of the country and also due to rise in demand for vehicle fuel due to the increase in the sales of automobiles.

Overall increase can be seen with an increase in production of LPG, LDO, bitumen, ATF, MS and HSD. In anticipation of the launch of the BS-VI vehicles there has also been an increase in the production of MS-VI and HSD-VI fuels by 1033.3% and 541.9%.

Major Developments:

- State Owned OMCs (Indian Oil Corp, Bharat Petroleum Corp and Hindustan Petroleum), Saudi Aramco and Abu Dhabi National Oil Co (ADNOC) are to develop 1.2 million barrels per day (bpd) refinery.

Paper & Paper Products

Imports of paper and paper products displayed an increasing trend till FY17 but subsequently declined in FY18. The growth in overall imports has been 13.7% for the FY05-FY17 period and 11.3% for the FY05-FY18 period. YTD FY19 imports have also been subdued fell by 11.7% to 2,761 thousand tonnes and increased by 8.6% in value terms to Rs 183.3bn. The decline in quantitative terms is expected to sustain for overall FY19 in the near term as the increase in international pulp price made imports costlier thereby changing the cost economics in favour of domestic paper. Paper and paper products exports grew by 51.5% to 1,599.7 thousand tonnes and by 52.4% to Rs 113.2bn for the April -January 2019 period as compared to the year ago period.

Table 20: Paper and Paper Products Trade (April – January)

	000 Tonnes			Rs billion		
	FY18	FY19	% change	FY18	FY19	% change
Imports						
Paper	1,773.7	1,509.0	-14.9%	108.7	105.3	-3.2%
Newsprint	1,274.8	1,175.9	-7.8%	43.6	59.1	35.6%
Paper Products	78.4	76.1	-2.9%	16.5	18.9	14.7%
Total	**3,126.8**	**2,761.0**	**-11.7%**	**168.8**	**183.3**	**8.6%**
Exports						
Paper	824.8	1,321.7	60.2%	42.6	66.8	56.9%
Newsprint	5.2	11.3	115.1%	0.2	0.5	179.4%
Paper Products	225.7	266.7	18.2%	31.5	45.8	45.6%
Total	**1,055.7**	**1,599.7**	**51.5%**	**74.3**	**113.2**	**52.4%**

Source: CMIE

Table 21: Import of Recovered (Waste and Scrap) Paper or Paperboard (April – January)

	FY18	FY19	% change
Imports (Rs cr)	4,658.1	7,825.7	68.0%
Imports (million tonnes)	3.0	5.5	84.9%
Realisation (Rs/kg)	15.6	14.2	-9.1%

Source: Department of Commerce (Ministry of Commerce and Industry)

The Chinese regulatory modifications in mid-2017 resulted in an increase in imports of recovered paper. Imports for April January period in FY19 have already increased by 68% and 84.9%, respectively in value and volume terms as compared to April November period in FY18. As a result, the impact of the decrease in the prices of this key raw material which roughly constitutes approx. 45-48% of the revenues is substantial and thereby has led to substantial margin expansions in the recent period for most paper players.

Table 22: International Prices ($/tonne)

	Mar-18	Feb-19	% change
NBSK Pulp	1,130	1,140	0.9%
Newsprint	625	685	9.6%
Softwood Chips	161	192	19.0%

Source: Economic Services Division, Govt. of BC, Canada

Domestic paper prices have risen marginally till date. For CY18, international pulp prices remained elevated due to 1) continued steady demand, 2) producer downtime and unplanned shutdown of some mills in Europe, 3) low inventories incl. unusually warm weather in Nordic countries have led to tighter supplies and 4) lower recovered fibre availability in China due to import restrictions of waste paper leading to less pulp from recycled material. However, in opening months of CY19, the prices have eased from their erstwhile high levels.

Major policies announced:

- DGAD has recommended anti-dumping duty of difference between the landed value and $ 855 per tonne on uncoated paper imports. DGAD has also opined that this duty should continue for a period of three years from the date of notification by the central government.

Ports

Major ports in India recorded 2.8% growth in cargo handled in the period under consideration. Barring Tuticorin Port (V.O. Chidambaranar), Goa Port and Mumbai Port, all other ports recorded positive volume growth during the 11 month period. Tuticorin port was impacted by shutting down of copper plant, Goa port has been impacted by ban on mining and Mumbai port has witnessed other major ports in the vicinity cutting into its share of cargo volumes. Kandla Port (Deendayal Port) continued to handle the highest cargo volume among major ports.

Table 23: Cargo Volume (April – February)

(Million Tonnes)	FY18	FY19	Growth (%)
Major Ports	616.7	633.9	2.8

Source: Indian Port Association

Power

Power production grew by 5.8% during April - January 2019 which includes power from both conventional and renewable resources. Power from renewable energy resources recorded 25% growth in production.

Table 24: Electricity Production (April – January)

(Billion units - Kwh)	FY18	FY19	Growth (%)
Cement Production	1,094	1,157	5.8

Source: Ministry of commerce

Demand from domestic users and industrial buyers were drivers for electricity demand during the year. Sectors namely metals, cement and chemicals contributed to increased demand for power due to increased production levels.

Government's key scheme to electrify all households in the country has contributed to incremental demand for power especially from large states like UP, MP, Bihar and Rajasthan among others where the beneficiaries under the scheme were higher.

Increased international coal prices have been major concern especially captive power users, which impacted their profitability. Demand growth has remained steady during the year but deteriorating payment scenario from discoms and faltering AT&T losses of states has been a reason of concern for power generators.

Table 25: Capacity addition

(GW)	FY18	FY19 (Apr-Feb)	Growth (%)
Thermal	5	0.1	-98%
Renewable	11.8	6	-49%

Source: CEA, MNRE

Renewable energy capacity addition and auction have slowed down during the year. Tariffs have dropped to all time low with Solar and Wind Power touch Rs 2.44 /unit during the year. But lack of policy clarity has remained a concern which has slowed down the overall capacity installation.

Real Estate

Major policies announced:

- The affordable housing push from the government has kept the revenue growth in the industry upbeat
- GST on residential property outside the affordable housing segment was reduced to 5%, from an effective rate of 12%. GST on affordable housing was reduced to 1%, from an effective rate of 8%. The rates on both types of properties will be charged without an Input Tax Credit (ITC). The new rates are applicable to all projects registered post March 31, 2019.
- Projects that have been registered and have started booking prior to April 1, 2019, will have a one-time option of continuing with the old effective rate of 8% on affordable housing and 12% on other than affordable housing projects, with Input Tax Credit (ITC).
- With the upcoming listing of the first REIT or Real Estate Investment Trust, developers with the leverage of a large portfolio in the commercial space segment have an opportunity to unlock capital through REITs. It also gives the investors an exposure to hold income-generating real estate, at a much lower amount of investment than actually buying a property.

Roads & Highways

During the first 9 months of FY19, the ministry has informed construction of 6,715 km of national highways. Rate of construction during the first 9 months is 25km/ day, much lower than the 43 km/day target.

Shipping and Ship Building

Ministry of Shipping has revised the tendering process of chartering merchant ships to give ships build in India the Right of First Refusal (RoFR). Under the RoFR the ships build in India will be given the first priority to match the lowest bidder's quote (L1 quote). In order to exercise the right, the bidder must fulfil certain conditions on the quote size of the bid and on their criteria of registration. The priority is expected to raise the demand for ships build domestically and provide them the necessary market access.

Sugar

Sugar production in India surged by 60% y-o-y to 32.5 million tonnes during the sugar year October 2017 - September 2018. In addition to this, the country had an opening stock of 3.9 million tonnes of sugar for meeting domestic requirement of 25.4 million tonnes during the year. Consequently, India started the current sugar year with an opening stock of about 11 million tonnes.

Domestic sugar output increased by 5.9% (y-o-y) to 27.3 million tonnes during the period October 2018 to mid-March 2019. The total sugar stock (opening stock + production so far) continues to surpass domestic consumption requirements which add to the glut situation in the country. This, in turn, continues to keep domestic sugar prices under pressure.

Prices

The average wholesale sugar prices declined by 15.3% to Rs 32 per kg during April 2018-February 2019 compared with the average sugar prices of Rs 37.8 per kg in the corresponding period a year ago. The sugar prices would have averaged further low had it not been for the announcement of sugar Minimum Selling Price (MSP) at different intervals by the government during the period April 2018-March 2019.

Major policies announced:

- In May 2018, the government announced financial assistance of Rs 5.5 per quintal for the sugarcane crushed during sugar year 2017-18
- The government announced a package of Rs 7,000 crore for sugar industry in June 2018 (creation of buffer stock of 3 million tonnes, MSP of Rs 29 per kg, interest subvention for the amount to be used to increase the capacity of existing distilleries and to install new distilleries)
- In June 2018, the CCEA increased the prices of ethanol derived from C heavy molasses. In addition to this, the government allowed procurement of ethanol from B heavy molasses and sugarcane juice for the first time
- Monthly sales quota for sugar was started again from June 2018
- Sugarcane FRP increased to Rs 275 per quintal for 2018-19 sugar season in July 2018
- The prices of ethanol derived from B heavy molasses was increased by 11.3% to Rs 52.4 per litre and that of ethanol derived from 100% sugarcane juice was raised by a strong 25.5% to Rs 59.1 per litre in September 2018
- The government approved a package of Rs 5,500 crore for sugar industry in September 2018 (facilitation of sugar exports for 2018-19 and financial assistance of Rs 13.9 per quintal of cane crushed for sugar season 2018-19)
- In February 2019, the government hiked sugar MSP to Rs 31 per kg from Rs 29 per kg
- The CCEA in March 2019 gave its approval for funds worth Rs 2,790 crore towards sugar mills under Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity.

Steel

The finished steel production in India increased by 5.9% to 100.9 million tonnes during the period April 2018-February 2019 compared to the corresponding period a year ago where the output stood at 95.3 million tonnes. The growth in production is backed by demand from user industries like infrastructure & construction, automobiles among others. Demand for steel in India grew by 7.4% y-o-y to 88.1 million tonnes during April 2018-February 2019.

Table 26: Steel production and trade data (April-February)

(million tonnes)	FY18	FY19	Growth (%)
Finished steel production	95.3	100.9	5.9
Exports	8.9	5.8	(35.2)
Imports	7	7.1	1.9

Source: CMIE

India which was net exporter of steel during the period April 2017-February 2018 turned net importer of steel in the current financial year. The country's imports exceeded exports by 1.4 million tonnes during the period April 2018-February 2019. While imports increased by 1.9% y-o-y to 7.1 million tonnes, exports declined by a sharp 35.2% to 5.8 million tonnes. Higher domestic consumption coupled with higher domestic prices is believed to have limited outbound shipments during the year.

Prices

The increase in domestic consumption is also believed to have resulted in higher domestic steel prices. The prices of steel products improved in the range of 20%-24% during April 2018 – February 2019 on a y-o-y basis.

Table 27: Variety-wise steel prices in India (April-February)

(in Rs./tonne)	FY18	FY19	Growth (%)
CR coils	50,171	61,383	22.3
HR coils	45,874	55,138	20.2
TMT bars	39,309	48,720	23.9

Source: CMIE

Major policies announced:

- In June 2018, the Ministry of Steel brought 16 more steel products under Quality Control Order covering overall 85-90% steel and steel products. In effect, the order now covered 50 carbon steel and 3 stainless steel products
- Sixteen new standards were included that covered 53 products (47 carbon and alloy steel and 6 stainless steel products) in December 2018.

Telecom

The telecom industry's ARPU averaged at Rs 68.2 during the first half of FY19. This implies a fall of 16.8% compared to the same period a year ago where the ARPU stood at Rs 82. The prime reason for the decline in ARPU is the price war among the telecom companies which resulted in cheap availability of data services. The price for per GB data declined by a sharp 40.1% and averaged at Rs 11.5 during April-September 2018 compared to the average of Rs 19.3 in the corresponding period previous year. The low prices, in turn, resulted in surge in average data usage per subscriber per month. Resultantly, the average data usage rose by a stupendous 420% to 8.3 GB as on September 2018 on a y-o-y basis.

Table 28: Indicators for telecom industry

	FY18	FY19	Growth (%)
Average Revenue Per User (ARPU) in Rs. (April-September)	82	68.2	(16.8)
Average outgo per GB data in Rs. (April-September)	19.3	11.5	(40.1)
Average data usage per subscriber per month–GSM in GB (as on September)	1.6*	8.3^	420

Note: *GSM (2G+3G+4G), ^GSM (2G+3G+4G+LTE+CDMA)
Source: TRAI

The cheap data service is also believed to have added more subscribers to the broadband base. The broadband subscriber base grew by a strong 42.8% y-o-y to 540 million at the end of January 2019 and the total telephone subscriber base increased by 2.4% to 1,204 million.

Table 29: Subscriber base as on January 2019

(in million)	as on Jan 2018	as on Jan 2019	Growth (%)
Telephone subscribers	1,175	1,204	2.4
Broadband subscribers	378	540	42.8

Source: TRAI

Major policies announced:

- In September 2018, the cabinet approved the National Digital Communications Policy 2018. The policy mentioned the objectives that are to be achieved by 2022. Some of these objectives include provisioning of broadband for all, enhancing India's contribution to global value chains, ensuring digital sovereignty among others. The policy also envisages three missions (Connect India, Propel India, and Secure India) and strategies to achieve the objectives.

Textiles

A. Cotton and Cotton Yarn

Early in February 2019, the Cotton Advisory Board (CAB) revised its cotton output estimate to 3328 lakh bales (1 bale = 170 kgs) from the previous estimate of 330-335 lakh bales for cotton season 2019 beginning October 1, 2018 for the third time. This downward revision in production was largely attributed to the water shortage faced by cotton crop in southern states including Telangana, Andhra Pradesh and Karnataka and pink bollworm attack. There are reports that farmers have already uprooted their crop denying a chance for additional pickings. The current year's output estimate is lower by about 9.5% y-o-y compared with the output in CS 2018 which stood at 365 lakh bales. Cotton Yarn production increased by 3.3% and stood at 3,500.9 million kgs for FY19 (April – January) as compared to 3,389.3 million kgs. For the same period, cotton yarn imports fell by 14.8% to 4.6 thousand tonnes, while yarn exports rose by 17.8% to 1,040.3 thousand tonnes.

Cotton prices have come off last season's high and are trending lower at Rs 125 per kg for Shankar-6/Shankar-4 and Rs 117.8 for J-34(Sg) on a month on month basis but are still higher y-o-y. Prices have been impacted by offtake by mills which have excess yarn stocks, rising arrivals and higher exports to China. Further, as indicated by the Cotlook A index, international prices have also softened. Cotton Corporation of India has reportedly stopped procurement after buying close to 12 lakh bales as cotton prices inched higher than MSP prices. In line with the cotton prices, the cotton yarn prices have also witnessed sluggishness during the period. Further, China is importing more cotton and less yarn from India given the duty differential between the two. Indian yarn exports to China have come down from a high of 55.8 thousand tonnes in June to just 32.6 thousand tonnes in September 2018.

B. Man Made Fibres

Table 30: MMF Trade (in tonnes) (April- January)

	Imports			Exports		
	FY18	FY19	% change	FY18	FY19	% change
PFY	69,960.1	64,279.9	-8.1%	588,500.0	574,443.2	-2.4%
PSF	76,083.4	74,187.1	-2.5%	183,843.3	212,342.1	15.5%
VFY	11,315.1	13,287.2	17.4%	6,391.0	6,352.8	-0.6%
VSF	23,156.8	37,033.9	59.9%	110,016.4	65,539.1	-40.4%

Source: CMIE

Polyester imports as well as exports generally fell, while viscose imports increased however, exports fell substantially on back on back higher availability of substitute cotton in the domestic market that led to subdued MMF demand during the year.

Table 31: Domestic MMF Prices (April – December)

	FY18	FY19	% change
PFY 126 D	101.9	123.2	20.9%
PSF 1.2d	98.8	125.8	27.3%
VSF Grasim Nagda	186	196.8	5.8%
VFY 150 D Bt. Indian Rayon	352.2	341	-3.2%

Source: CMIE

In terms of prices, PSF prices grew by 27.3% y-o-y, PFY prices grew by 20.9% y-o-y and VSF prices grew by about 5.8% y-o-y. However, VFY prices in the domestic market registered a decline of about 3.2% during the period. Polyester prices grew on account of higher feedstock PTA (+30.4%) and MEG (-2.8%) prices during the period led by higher crude prices.

Table 32: International Feedstock Prices (April – February)

	FY18	FY19	% change
PTA	684.1	892.2	30.4%
MEG	874.8	850.5	-2.8%

Source: CMIE

C. Apparel

Table 33: Apparel Trade (April – February)

	Rs billion			USD billion		
	FY18	FY19	% change	FY18	FY19	% change
Export	979.5	1,007.7	2.9%	15.2	14.4	-5.2%
Imports	44.6	71.7	60.7%	0.7	1.0	48.1%

Source: CMIE

The exports for the first 11 months for FY15-FY17 were fairly stable; however, the exports declined by 1.3% in FY18 and the exports have continued this decline in FY19 and worsening by 5.2% primarily due to depressed economic conditions-led lower demand and growth. YTD FY19 imports have already crossed the full year FY18 import numbers by a significant margin. The increase in imports can be attributed to China and Bangladesh which accounted for over 60% of the total apparel imports in FY18. These countries have increased their share from 37% in FY10 to 64% in FY18. Zero rated duty of imports from Bangladesh has created opportunities for big value imports of apparel and other textile products into India.

- Reliance bought the John Players brand and distribution rights of 750 stores, in addition to 65 exclusive franchise outlets, for an estimated Rs 150 crore ($21.79 million) from ITC

Major policies announced:

- The Government of India has increased the basic custom duty to 20% from 10% on over 500 textile products, to boost indigenous production and the Make in India program.
- The Government of India announced a Special Package to boost exports by US$ 31 billion, create one crore job opportunity and attract investments worth Rs 80,000 crore during 2018-2020.
- In March 2019, the Central government approved a scheme to rebate State and Central Embedded Taxes for apparels and made-ups exports.

Tourism

Table 34: Foreign tourist arrivals (January - November)

(Numbers)	2,017	2018	Growth (%)
FTA	6,353,807	7,491,989	17.9

Source: Ministry of Tourism

On a y-o-y basis, the FTAs in CY18 (January - November) increased by a sharp 18% y-o-y to 7.5 million. This has been the highest growth since 2008. This growth is backed by various Government of India (GoI) initiatives such as introduction of e-visa in November 2014, development of rail & road infrastructure, along with promotion of medical and cruise tourism. In

June 2016, the Indian government approved 150 countries under the Visa on Arrival scheme to attract additional foreign tourists. The Visa on Arrival scheme registered an average growth of 134% over 2010–16. Electronic tourist authorisations, known as E – Tourist Visa, launched by the GoI have resulted in increase in number of tourist visa issued in the country. The facility has been extended to citizens of 166 countries, as of December 2018. During January-October 2018, arrivals through e-visa increased 44.8% y-o-y to 1.8 million.

PART II

Table 35A: Deployment of Gross Bank Credit across Industries and Services

Sector (Rs Billion)	Outstanding as on		Growth (%)	
	Mar. 30, 2018	Jan. 18, 2019	YTD FY19	Y-o-Y 2019
Industry	**26,993**	**27,500**	**1.9%**	**5.2%**
Mining & Quarrying (incl. Coal)	413	417	1.0%	18.2%
Food Processing	1,554	1,506	-3.0%	5.4%
Sugar	290	266	-8.3%	1.3%
Edible Oils & Vanaspati	211	216	2.2%	10.8%
Tea	45	51	14.4%	7.4%
Others	1,008	974	-3.4%	5.3%
Beverage & Tobacco	156	146	-6.4%	-10.3%
Textiles	2,099	1,983	-5.5%	-3.1%
Cotton Textiles	1,057	963	-9.0%	-6.3%
Jute Textiles	22	21	-2.8%	-4.6%
Man-Made Textiles	243	244	0.3%	2.5%
Other Textiles	776	756	-2.7%	-0.5%
Leather & Leather Products	113	110	-3.2%	-1.6%
Wood & Wood Products	109	117	7.6%	10.5%
Paper & Paper Products	306	300	-2.0%	-3.5%
Petroleum, Coal Products & Nuclear Fuels	651	571	-12.3%	29.5%
Chemicals & Chemical Products	1,630	1,794	10.1%	10.0%
Fertiliser	306	275	-10.2%	8.7%
Drugs & Pharmaceuticals	484	512	5.7%	6.3%
Petro Chemicals	387	480	24.0%	6.9%
Others	453	528	16.5%	17.9%
Rubber, Plastic & their Products	424	453	6.8%	6.7%
Glass & Glassware	85	99	17.3%	19.8%
Cement & Cement Products	526	554	5.3%	6.9%
Basic Metal & Metal Product	4,160	3,694	-11.2%	-10.3%
Iron & Steel	3,262	2,833	-13.1%	-11.7%
Other Metal & Metal Product	898	861	-4.1%	-5.4%
All Engineering	1,553	1,611	3.7%	7.1%
Electronics	344	376	9.3%	9.3%
Others	1,210	1,235	2.1%	6.4%
Vehicles, Vehicle Parts & Transport Equipment	787	802	1.8%	8.2%
Gems & Jewellery	727	681	-6.3%	-1.0%
Construction	901	951	5.6%	9.2%
Infrastructure	8,909	9,868	10.8%	12.6%
Power	5,196	5,542	6.6%	7.5%
Telecommunications	846	928	9.7%	16.3%
Roads	1,665	1,882	13.0%	11.5%
Other Infrastructure	1,202	1,516	26.1%	34.4%
Other Industries	1,890	1,843	-2.5%	-0.2%

Services	**20,505**	**22,340**	**9.0%**	**23.9%**
Transport Operators	1,213	1,332	9.8%	13.7%
Computer Software	186	189	1.3%	2.0%
Tourism, Hotels & Restaurants	365	387	6.0%	4.4%
Shipping	63	75	18.9%	23.0%
Professional Services	1,554	1,693	8.9%	12.3%
Trade	4,669	4,959	6.2%	10.6%
Wholesale Trade	2,052	2,186	6.5%	9.7%
Retail Trade	2,618	2,774	6.0%	11.4%
Commercial Real Estate	1,858	1,981	6.6%	7.6%
Non-Banking Financial Companies	4,964	5,576	12.3%	48.3%
Other Services	5,633	6,149	9.2%	32.2%

Source: RBI

Table 35B: Total Debt Raised from Primary Market (April – February)

Sector (Rs Billion)	FY19
All industries	**4,779.74**
Non-financial	**965.93**
Manufacturing	**224.94**
Food Products	2.01
Textiles	25.58
Cotton & blended yarn	3.83
Readymade garments	18.50
Diversified cotton textile	0.75
Other textiles	2.50
Pesticides	1.50
Drugs & pharmaceuticals	48.80
Organic chemicals	3.35
Polymers	3.50
Plastic films & flexible packaging	2.30
Domestic appliances	2.00
Cement	3.25
Steel	2.95
Non-ferrous metals	1.86
Diversified metal & metal products	2.09
Machinery	0.80
Paper, newsprint & paper products	3.35
Other manufactured articles	121.60
Minerals	**58.40**
Electricity	**116.74**
Conventional electricity generation	34.86
Renewable electricity generation	22.36
Electricity transmission & distribution	59.53
Services (other than financial)	**354.30**
Tourism	6.25

Trading	4.00
Road transport & allied services	94.93
Shipping transport & allied services	38.00
Transport logistics services	1.99
Telecommunication services	141.00
Business services & consultancy	40.35
Health services	10.90
Media-broadcasting and Exhibition of films	8.20
Other miscellaneous services	8.68
Construction & real estate	**211.55**
Housing construction	4.25
Industrial construction	7.00
Infrastructural construction	85.98
Other construction & allied activities	114.32
Financial services	**3,813.81**
Banking services	280.99
Auto finance services	280.24
Housing finance services	231.69
Infrastructure finance services	23.00
Other asset financing services	1,512.64
Other fund based financial services	156.06
Fee based financial services	31.67
Other financial services	1,297.53

Source: CMIE

PART III

Table 36: Industry wise Capex – FY19

Industry	Outstanding under implementation (Rs crore)	Announced (Rs crore)	Abandoned (%)
Consumer Goods (Non-discretionary)	**48,532**	**51,300**	**5.4%**
Consumer foods	39,732	41,630	4.6%
Sugar	1,686	1,686	0.0%
Tea/Coffee	304	304	0.0%
Solvent Extraction	1,570	2,320	32.3%
Pharmaceuticals & drugs	4,131	4,251	2.8%
Household & Personal products	1,108	1,108	0.0%
Consumer Goods (Discretionary)	**18,143**	**18,176**	**0.2%**
Textiles	6,477	6,510	0.5%
Consumer Durables-Domestic Appliances	7,983	7,983	0.0%
Consumer Durables-Electronics	3,683	3,683	0.0%
Automobiles & Related	**18,268**	**18,303**	**0.2%**
Passenger Cars	3,250	3,250	0.0%
Tractors	340	340	0.0%
Two & Three Wheelers	3,250	3,250	0.0%
Auto Trucks/LCVs	400	400	0.0%
Tyres & allied services	1,510	1,510	0.0%
Auto Ancillary	9,518	9,553	0.4%
Capital Goods	**22,152**	**22,314**	**0.7%**
Communication equipment	2,200	2,200	0.0%
Other electronics	13,850	13,917	0.5%
Non-electrical machinery	4,526	4,586	1.3%
Electrical machinery	1,576	1,611	2.2%
Metals	**53,146**	**53,476**	**0.6%**
Steel & Iron products	43,570	43,850	0.6%
Aluminium & aluminium products	9,556	9,606	0.5%
Metals - Non-ferrous	20	20	0.0%
Construction/Real Estate	**89,881**	**89,981**	**0.1%**
Cement	23,914	23,914	0.0%
Ceramics/Marble/Granite/Sanitary ware	561	561	0.0%
Construction - Real Estate	61,906	62,006	0.2%
Engineering Construction	3,500	3,500	0.0%
Services	**78,653**	**210,089**	**62.6%**
Hospitals & Healthcare Services	15,427	15,427	0.0%
Printing And Publishing	3,583	3,583	0.0%
TV Broadcasting & Software Production	33	47	29.8%
Film Production, Distribution & Entertainment	407	426	4.4%
Retailing	6,592	6,719	1.9%

Airlines	33,010	164,284	79.9%
IT- Software	13,016	13,018	0.0%
Telecommunications - Service Providers	171	171	0.0%
Shipping	121	121	0.0%
Ports	3,112	3,112	0.0%
Hotels, Resorts & Restaurants	3,182	3,182	0.0%
Energy/Oil & Gas/Refinery/Mining	**285,541**	**285,668**	**0.0%**
Mining & minerals	8,033	8,033	0.0%
Power Generation/Distribution	169,626	169,752	0.1%
Gas Transmission/Marketing	15,399	15,399	0.0%
Refineries	92,483	92,483	0.0%
Others	**8,857**	8,998	**1.6%**
Pesticides & Agrochemicals	570	570	0.0%
Fertilizers	9	10	15.5%
Dyes & pigments	77	77	0.0%
Paper & Paper products	1,583	1,583	0.0%
Rubber products	50	50	0.0%
Plastic products	2,549	2,688	5.2%
Glass	3,570	3,570	0.0%
Paints	450	450	0.0%

Source: CMIE

PART IV

Table 37A: Aggregate performance (9M – April - December)

3,400 Companies (Rs crore)	FY17	FY18	FY19	Growth (%)	
				FY18	FY19
Net sales	4,234,803	4,564,392	5,326,916	7.8	16.7
Operating Profit (PBDIT)	894,569	931,508	1,060,309	4.1	13.8
Operating profit Margin (%)	21.1	20.4	19.9		
Profit after Tax (PAT)	305,096	266,963	305,112	(12.5)	14.3
Net Profit Margin (%)	7.2	5.8	5.7		

Source: AceEquity

Table 37B: Industry wise Financials (9M – April - December)

Industry	No of companies	Net Sales Growth (%)		Net Profit Margin (%)	
		FY18	FY19	FY18	FY19
Consumer Goods (Non-discretionary)	**315**	**0.0**	**7.5**	**5.5**	**9.2**
Consumer foods	79	-5.0	8.7	-3.5	5.6
Sugar	30	10.4	-15.2	-6.8	-1.7
Tea/Coffee	19	7.6	1.7	14.9	20.7
Solvent Extraction	25	13.2	3.1	0.8	2.3
Pharmaceuticals & drugs	142	-3.1	14.8	10.3	11.1
Household & Personal products	20	2.2	8.8	15.1	16.0
Consumer Goods (Discretionary)	**183**	**-4.4**	**0.7**	**-23.5**	**-8.3**
Textiles	163	-0.6	-0.5	-28.0	-4.9
Consumer Durables-Domestic Appliances	13	8.3	19.3	6.3	5.9
Consumer Durables-Electronics	7	-45.2	-35.2	-54.7	-137.3
Automobiles & Related	**102**	**7.3**	**13.2**	**7.1**	**7.8**
Passenger Cars	3	5.4	6.2	9.6	9.5
Tractors	3	13.7	22.0	7.6	8.3
Two & Three Wheelers	6	7.0	13.6	12.5	11.7
Auto Trucks/LCVs	4	15.5	23.1	0.8	4.4
Tyres & allied services	9	3.2	12.2	5.9	6.1
Auto Ancillary	77	5.1	14.2	4.3	5.9
Capital Goods	**215**	**4.6**	**19.7**	**4.4**	**7.3**
Engineering	119	6.1	16.4	5.2	6.1
Electronics -Components	22	-11.0	2.4	-6.8	-0.8
Electrodes & welding Equipment	11	60.8	174.6	22.2	41.8
Electric Equipment	50	-4.7	5.3	1.8	0.6
Telecom Equipment	13	25.2	14.4	-0.4	-10.0
Metals	**126**	**17.5**	**11.6**	**2.4**	**7.7**
Steel & Iron products	92	15.7	16.6	-1.4	5.2
Aluminium & aluminium products	13	21.1	22.5	12.1	14.0
Metals - Non-ferrous	21	21.7	-1.2	10.5	13.9

Construction/Real Estate	**265**	**3.4**	**14.1**	**3.8**	**1.8**
Cement	38	5.9	11.8	7.6	3.9
Ceramics/Marble/Granite/Sanitary ware	27	-3.3	4.4	4.8	3.7
Construction - Real Estate	121	2.2	16.0	2.7	4.0
Engineering Construction	80	2.9	15.7	1.7	-0.2
Banking	**38**	**6.5**	**10.2**	**1.5**	**-1.5**
Banks - Public	21	5.7	5.5	-4.6	-8.2
Banks - Private	17	8.4	20.9	15.4	11.9
Finance	**285**	**17.0**	**19.9**	**20.1**	**19.2**
Housing Finance	15	14.6	19.7	24.0	19.0
Finance - NBFC	270	19.8	20.0	15.8	19.4
Services	**356**	**1.2**	**12.4**	**11.2**	**10.2**
Hospitals & Healthcare Services	26	10.0	12.4	5.0	4.4
Printing And Publishing	14	-1.2	4.2	16.1	8.8
TV Broadcasting & Software Production	24	14.8	22.3	16.9	12.6
Film Production, Distribution & Entertainment	43	-3.3	20.0	1.8	5.3
Retailing	15	14.0	15.6	3.5	3.8
Airlines	6	17.3	12.7	7.2	-8.7
IT- Software	157	3.3	17.9	23.5	21.1
Telecommunications - Service Providers	9	-17.8	-3.8	-15.5	-8.0
Shipping	12	2.7	12.6	-9.5	-26.6
Ports	2	22.2	-15.9	36.6	49.7
Hotels, Resorts & Restaurants	48	2.3	4.3	4.6	4.6
Energy/Oil & Gas/Refinery/Mining	**66**	**12.6**	**26.0**	**7.5**	**5.9**
Mining & minerals	13	35.8	8.2	29.5	73.2
Power Generation/Distribution	32	2.3	7.1	14.8	9.5
Gas Transmission/Marketing	3	14.1	33.1	31.7	28.4
Refineries	7	14.3	28.1	5.1	3.3
Oil Exploration	11	7.9	35.7	22.9	27.2
Others	**280**	**3.3**	**22.0**	**5.8**	**5.8**
Pesticides & Agrochemicals	23	3.1	13.4	9.0	7.5
Fertilizers	21	7.4	18.9	4.2	3.9
Dyes & pigments	18	-1.2	13.6	8.5	10.8
Paper & Paper products	51	3.3	20.8	2.3	6.5
Diamond & Jewellery	26	-8.7	13.9	2.7	2.5
Rubber products	11	2.3	15.2	2.8	5.8
Plastic products	97	3.4	13.6	4.0	4.3
Glass	11	1.8	17.2	1.3	3.5
Paints	5	1.2	11.6	11.1	10.9
Industrial Gases & Fuels	17	13.2	42.4	8.8	7.9

Source: AceEquity