



Corporate Performance: 1st Quarter

The first quarter of the fiscal year 2019-20 has been marked by lower-than-expected corporate earnings. There is a clear weakening in growth in sales and profitability of corporates, based on a sample of 2,976 companies. In Q1 FY20, the net sales of the sample companies grew at a 4.6% compared with the 13.5% in the Q1 FY19. Similarly, the aggregate net profit of sample companies has also grown at a moderate rate of 6.6% as against the 24.6% in Q1 FY19.

Industry-wise analysis

The matrix below provides industry wise performance of some of the major sectors on the basis of their net sales and net profit growth in Q1 FY20 vis-à-vis the corresponding period last year.

Net Profit→ Net Sales↓	<(-)20	(-)20 to 0	0 to 10	10 to 20	20 to 30	30 to 40	>40
<(-)20	-Finance - Investment -Electrodes and Welding Equipment -Aluminium & Aluminium						
(-)20 to 0	-Auto -Textiles -Fertilizers -Steel and Iron -Refineries -Electric equipment -Metal -Non ferrous	-Hotel, Resort and Restaurant -Diamond and Jewellery -Oil Exploration			-Ceramics		
0 to 10	-Steel/Sponge Iron/Pig Iron -Plastics -Glass -Pesticides and Agrochemicals -Dyes & Pigments -Public Sector Banks -Sugar	-Tyres and allied -Power -Rubber	-IT software -Industrial Gases and Fuels	-Paper and Paper Products -Household and Personal Products	-Engineering - Construction	-Consumer goods -Port	-Pharma and Drugs - Tea/Coffee -Cement -Real Estate
10 to 20	-Solvent Extraction		-Finance -NBFC -Logistics -Consumer Foods	-Mining and Minerals -Ship Building -Finance -Term lending -Housing Finance -Retailing	-Paints		-Hospital and Healthcare Trading
20 to 30	-Telecom -Service Providers					-Private Banks -Engineering	
>30	-Railway Wagon						-Airlines

Source: Ace Equity, CARE Ratings estimation

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