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Corporate performance: Q3-FY24

India Inc.'s financial performance in Q3-FY24 mirrored the trend seen in the last few quarters. Profit growth remains robust, compensating for the lower growth in revenues. Debt servicing too has improved despite higher interest costs. Our in-house corporate financial performance index (BoB-CFPI) is also showing a significant improvement in India Inc. performance. Nonetheless, the performance has not been equal across sectors. Pockets of stress remain with rural demand remaining a major pressure point. However, management commentary of various companies suggests that there are some signs of recovery amidst a moderation in inflation and adequate Rabi sowing. It will be interesting to see if the growth momentum can sustain. On the banking side, some pressure is visible amidst tight liquidity and a sustained increase in credit demand. We believe that India Inc. is likely to end FY24 on a similar note. However, risks remain from escalation in tensions in the Red-Sea region and resulting disruptions in supply chains.

BoB Corporate Financial Performance Index (BoB-CFPI):

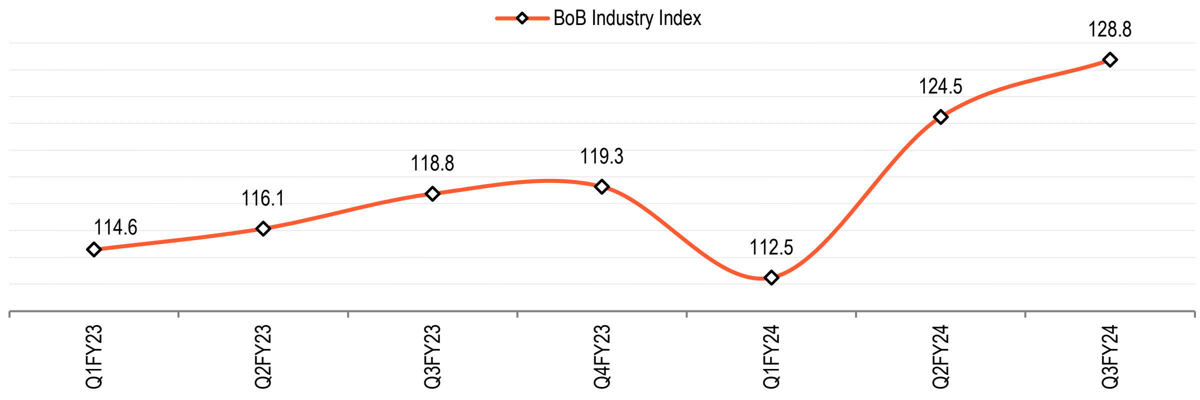
To track corporate performance more closely and on a regular basis, we have constructed the BoB Corporate Financial Performance Index (BoB-CFPI). The quarterly index aims to capture corporate performance at a more comprehensive level by analyzing key parameters covering revenue, cost, profitability and debt servicing. The index aims to track the performance of corporates based on the published quarterly financial results. The data has been sourced from Ace Equity corporate database. A sample of 32 key sectors are tracked which range from automobiles, capital goods, chemicals, construction materials, consumer durables, hospitality, healthcare, iron and steel, IT, telecom, retailing, etc. We have excluded sectors such as banks, insurance etc. as they tend to add a substantial modicum of bias to the numbers and present a skewed picture. Equal weights have been assigned to all the sectors to maintain comparability. Hence, the size of the industry will not skew the picture as overall corporate performance should ideally be broad based.

The current dataset includes a sample of 2,268 companies. It must be noted that the index has been constructed for the post-pandemic period i.e Jun'21 onwards to address partly the problem of base effect inflating the numbers. The sample companies used for FY23 (4 quarters) will be different from that in Q3-FY24. Detailed methodology for the construction of the index has been provided in the Annexure 1.

BoB-CFPI in Q3FY24:

BoB-CFPI shows a significant pickup in Q3FY24. The index improved to 128.8 in Q3-FY24 from 124.5 in Q3-FY23 118.8, registering a jump of 8.4%. Improved corporate profitability on the back of a correction in commodity prices has been a key driver behind this. With input prices abating, profit margins have seen a sharp uptick which has been contributing to higher profits even as sales have been much more muted. On a QoQ basis, while the index increased by 10.6% in Q2-FY24, it has risen by only 3.6% in Q3-FY24, suggesting some slowdown in momentum.

Figure 1: Movement in BoB-CFPI over last quarters



Source: Bank of Baroda Research | Note: Financial results of 2,034 companies have been taken

Table 1 provides information on the net responses for various parameters used in the index.

1. For net sales, the net response has remained negative for all the periods studied indicating that growth in sales for majority of sectors in the sample has been lower on a YoY basis. However, some improvement is visible in Q3-FY24.
2. For PBDIT there has been a sharp improvement in the last 2-quarters, which is coinciding with a correction in commodity prices.
3. Cost pressure for companies has seen a sequential moderation due to easing commodity prices. This has also translated into improved profits margins. Both these parameters saw an improvement in net response.
4. With a moderation in domestic inflation, the pricing power of companies has declined. As a result the net response for this indicator though positive, shows significant moderation in the last quarters.
5. With a pause in RBI's rate hike cycle, interest coverage ratios of companies has improved, which again impacted BoB-CFPI positively.

Table 1: Summary of net responses

Period	Net sales	PBDIT	Cost	Profit margin	Interest coverage ratio	Pricing power
Q1FY23	-28.1	-46.9	3.1	-9.4	81.3	
Q2FY23	-31.3	-40.6	28.1	-15.6	68.8	87.5
Q3FY23	-46.9	-3.1	37.5	-25.0	75.0	87.5
Q4FY23	-31.3	12.5	46.9	-3.1	75.0	75.0
Q1FY24	-81.3	-31.3	87.5	9.4	78.1	15.6
Q2FY24	-43.8	21.9	62.5	21.9	78.1	12.5
Q3FY24	-31.3	21.9	43.8	25.0	84.4	6.3

Source: Bank of Baroda Research

Financial performance of corporates in Q3FY24:

Financial performance of India Inc. in Q3-FY24 was very much similar to the trend seen in the last quarter. While profit growth has been robust, sales growth continues to lag behind. We have analyzed a sample of 2,940 companies which have announced results so far. It can be seen that sales growth increased by 6.1% in Q3 on a YoY basis, decelerating from a growth of 15.3% in the same period last year. However, on a sequential basis there is some pickup in sales growth. Profit growth has been robust, with all broad indicators of profit growth exhibiting double-digit growth. This can be explained by the sharp moderation in expenditure growth from 17% in Q2-FY23 to 3% in Q3-FY24.

Table 2: Overview of performance of 2,940 companies

	In Rs. Crores		% YoY	
	Q3-FY23	Q3-FY24	Q3-FY23	Q3-FY24
Net Sales	27,66,122	29,34,697	15.3	6.1
Expenditure	22,99,877	23,68,933	17.0	3.0
Operating profit	5,68,239	7,25,393	6.9	27.7
PBT	2,90,120	3,71,304	1.0	28.0
PAT	2,21,528	2,81,814	3.3	27.2

Source: AceEquity, Bank of Baroda Research

To get a much clearer picture of the financial performance, we exclude the BFSI sector comprising banks, finance and insurance companies. For the non-BFSI sector, growth in net sales has been much more muted at just 2.7%. On the other hand, profit growth has continued at a smart pace driven by lower costs. Growth in expenditure has moderated significantly to just 0.7% from 17.3% in the same period last year. Interest costs too have remained largely steady, growing by only 0.7%.

As a result, interest coverage ratio (ICR) of the companies has shown a marked improvement. The ICR is an indicator of the debt servicing capability of a firm and is calculated by dividing the profit before interest and tax (PBIT) to the interest cost. Thus this ratio shows whether the company is making enough profits to make interest payments. An increase in the ratio indicates improvement and vice-versa. For the given sample of companies, the ICR has increased to 5.54 in Q3-FY24 from 4.37 in Q2-FY23. This is quite positive as it indicates that muted sales and high interest costs have not dented the debt service capability of the companies on an aggregate basis. However, there is a lot of divergence between sectors which might indicate the presence of some pockets of concern.

Table 3: Overview of corporate performance ex. BFSI sector (2,502 companies)

	In Rs. Crores		% YoY	
	Q3-FY23	Q3-FY24	Q3-FY23	Q3-FY24
Net Sales	21,80,891	22,40,683	14.3	2.7
Expenditure	19,12,283	19,25,657	17.3	0.7
Interest	53,245	53,593	29.4	0.7
Operating profit	3,09,891	3,81,835	-4.2	23.2
PBT	1,79,642	2,43,371	-15.1	35.5
PAT	1,34,929	1,84,775	-16.3	36.9
Interest cover	4.37	5.54	-	-

Source: AceEquity, Bank of Baroda Research

Sector-wise movement in interest cover

As pointed earlier, the interest coverage ratio for ex. BFSI companies has seen a marked improvement in the Dec'23 quarter. This is notwithstanding the fact that banks have increased the weighted average lending rates (WALR) on both outstanding and fresh rupee loans in the said period, and hence the interest costs of companies has also gone up.

To put this in perspective, the WALR on fresh rupee and outstanding rupee loans has increased by 60bps and 40bps respectively in Q3-FY24 as compared with the same period last year, leading to a 1.5% increase in interest costs. However, WALR in Q3-FY23 had increased by much more (53bps for outstanding and 94bps for fresh rupee loans), which contributed to a 28.4% increase in interest costs. Hence, a part of the improvement in ICR can be attributed to a relatively lower increase in interest rates in Q3-FY24. However, a sharp increase in profits is perhaps the most distinguishing factor which explains the improvement in ICR, which has more than offset the higher interest costs. This is important because it helps to negate the belief that higher repo rate would put pressure on companies increasing the interest burden.

Table 4 below gives the interest cover ratio (PBIT/interest) for the sample companies excluding the BFSI sector. The following points stand out:

- Only telecom sector had an ICR of below 2. It must be mentioned here that the profitability in this sector continues to be marred by certain idiosyncratic factors such as AGR dues and payments pertaining to the spectrum auction. On top of this, due to the high capital expenditure required in the sector, it is also amongst the most heavily indebted sector and hence has a higher interest burden. Both of these factors can explain the low ICR in the sector. On the positive side, some green shoots are visible as the aggregate losses are narrowing which is also being reflected in an improvement in ICR in the latest quarter.
- Apart from telecom, the 10 largest indebted sectors (as of 2022) are power, crude oil, infrastructure, iron and steel, realty, automobiles, chemicals, logistics and textiles.
    - Out of these, 7 noted an improvement in ICR over Q3-FY23, with auto, textiles and iron and steel sector witnessing the maximum improvement.
    - On the other hand, there was sharp fall in ICR of chemicals sector, led entirely by a sharp decline in profit in the sector, even as interest payments were lower.
- Overall, a total of 20 sectors out of the 33 sectors witnessed an improvement in ICR in Q2-FY24 vis-à-vis Q2-FY23.

The RBI is widely expected to keep interest rates on hold at least to Jun'24, which means that interest costs for companies are likely to remain stable for at least the next 2-quarters. Hence, the ICR of companies will be determined to a large extent by the profitability. While WPI inflation is likely to remain benign even in Q4-FY24, concerns remain from elevated shipping costs due to escalation in tensions in the Red-Sea region which can lead to higher expenditure and hence have a detrimental impact on profitability.

Table 4: Interest cover: Sector-wise

Sector	Q3-FY22	Q3-FY23		Q3-FY24	
Mining	76.93	30.43	↓	42.75	↑
IT	63.46	53.07	↓	42.54	↓
Gas Transmission	31.01	78.12	↑	42.12	↓
Inds. Gases & Fuels	50.35	11.38	↓	24.29	↑
FMCG	20.53	20.97	↑	18.05	↓
Automobile & Ancillaries	8.32	10.32	↑	16.60	↑
Alcohol	10.55	8.40	↓	13.69	↑
Miscellaneous	20.25	17.15	↓	11.83	↓
Capital Goods	8.77	8.88	↑	10.93	↑
Healthcare	13.28	9.29	↓	9.98	↑
Diamond & Jewellery	12.37	11.27	↓	8.28	↓
Hospitality	3.32	7.35	↑	7.59	↑
Diversified	11.79	7.31	↓	7.24	↓
Chemicals	13.27	8.54	↓	6.96	↓
Crude Oil	8.59	4.74	↓	6.91	↑
Business Services	5.05	6.21	↑	6.74	↑
Consumer Durables	10.92	6.39	↓	6.46	↑
Plastic Products	6.64	4.61	↓	6.36	↑
Trading	1.84	3.06	↑	6.34	↑
Textile	6.49	2.49	↓	6.16	↑
Construction Materials	5.78	3.89	↓	5.77	↑
Retailing	5.88	5.05	↓	5.24	↑
Electricals	5.95	6.66	↑	5.14	↓
Non - Ferrous Metals	12.03	6.57	↓	5.08	↓
Iron & Steel	8.37	1.72	↓	4.95	↑
Paper	3.77	7.18	↑	4.74	↓
Media & Entertainment	7.54	4.13	↓	3.86	↓
Logistics	3.87	2.91	↓	3.59	↑
Agri	3.33	3.35	↑	3.02	↓
Power	2.80	2.76	↓	2.98	↑
Infrastructure	2.86	2.25	↓	2.59	↑
Realty	2.06	2.64	↑	2.31	↓
Telecom	0.42	-0.11	↓	0.67	↑
Total	**6.14**	**4.37**	↓	**5.54**	↑

Source: AceEquity, Bank of Baroda Research

Sector-wise performance

In terms of sector wise performance, net sales in 18 sectors has been higher than the sample average which is 6.1%. However, when compared with last year, only 12 sectors have seen higher growth in net sales relative to the same quarter last year. Major sectors which have seen higher growth than last year are finance, textiles, capital goods, consumer durables and diamond and jewellery.

For net profits, a total of 16 sectors showed higher growth than the average of 27.2%. In comparison to last year, 19 sectors show higher growth than Q3-FY23.

The table below gives an overview of growth in sales and net profits of various sectors in Q3-FY24 on a YoY basis, divided into different ranges. The following points stand out:

- Trading is the only sector which has done well both in terms of growth in profits and sales, registering over 20% growth in both PAT and sales.
- On the other hand, banks and finance companies have seen some moderation in profit growth. This is because banks' margins have been impacted by tight liquidity conditions amidst a continued increase in credit demand. Banks have been scouring for funds to finance the increasing demand as deposit growth has remained subdued. In FYTD24 (upto 26 Jan 2024) while credit growth has increased by 16.1%, deposit demand has only increased by 12.5%. As a result, while WALR on outstanding rupee loans has increased by 40bps, the weighted average domestic term deposit rate (WADTDR) has increased by 116bps, which is impacting the NIMs of banks, and hence putting pressure on profitability. NBFCs too reported an increase in cost of funds and higher risk weights as major headwinds.
- Infrastructure oriented industries and capital goods have done reasonably well in Q3-FY24, in terms of both profitability and net sales, registering double-digits growth. With the government's persistent focus on capital expenditure, these industries are likely to continue to do well.
- Hospitality sector has also done well, with most companies reporting robust demand, especially for luxury segment. With the World Cup event and marriage season, demand in the quarter noted a significant uptick.
- Retailing sector also posted good financial performance, despite a challenging macro-environment of sluggish demand and weaker than expected winter. The trend of increased Premiumization continued, with discretionary demand being dampened due to inflationary impact.
- Auto sector continued to post a remarkable performance even in Q3-FY24. While sales increased by 13.4%, PAT growth was much higher at 72.2%. This was underlined by a decline in commodity prices, easing of supply-chain issues and a stable currency helped. There was a steady pickup in demand for 2-wheelers, even as tractor sales continued to decline. Within, passenger vehicles, there was a strong demand for SUVs. However, disruptions in shipping lines due to the tensions in the Red-Sea region remained a key cause of concern for the industry leading to higher costs and delayed shipments.
- For sectors such as iron and steel, logistics, insurance, textiles, construction materials and telecom, while PAT growth was robust, sales growth was muted in single-digit.
- For iron and steel industry, the growth in PAT was effected by an increase in domestic prices. While external demand remained weak, especially from Europe, domestic demand remained robust aided by government capex. Apart from this, demand from auto and real estate sector also aided. Apart from this, lower steel production in China also provided a tailwind to the sector. As a result, companies also noted an improvement in capacity utilization to above 90%.

Table 5: Growth in net sales and net profit in Q3-FY24 Matrix

Net Sales \ Net Profits	less than 0	0-10	10-20	more than 20
less than 0	Chemicals Paper Miscellaneous Agri	Diversified		Inds. Gases & Fuels Crude oil Plastic products
0-10	Power Realty Non-ferrous metals Business services Electricals	FMCG IT	Gas transmission Consumer durables Healthcare	Iron and steel Logistics Insurance Construction Materials Textiles Telecom
10-20		Diamonds & Jewellery		Capital Goods Hospitality Media & Entertainment Automobile & Ancillaries Alcohol Infrastructure Retailing
more than 20		Finance	Banks	**Trading**

Source: AceEquity, Bank of Baroda Research

- For the textiles sector, festive demand momentum was short-lived as discretionary demand continues to remain week. Even during festive sales, premium segments performed better while discretionary spending was weak. However, some companies reported a pickup in demand for woven fabrics and home textiles. Apart from this, decline in inventories and increased demand in exports markets such as US and Japan has also helped sales. Reduction in prices of raw materials, specifically cotton yarn, in India has contributed to an increase in profitability for the textiles sector. There has also been a steady improvement in capacity utilization of the sector as well. However, increased shipping costs and delay in shipments due to the Red-Sea crisis is a major headwind for the sector.
- In case of consumer durables, sales growth was in high single-digit at 8.3%, while PAT growth was 12.9%. Sales in both B2B as well as B2C segment showed improvement, and the trend is expected to continue. Companies reported an increase in demand during the festive season, particularly for small appliances. In an encouraging sign, demand from lower tier cities showed improvement. Profit growth showed improvement, led by price hikes. However, this was partly impacted by increased spending on advertising during the festive season.
- Performance of the IT sector remained muted with low single-digit growth in both sales and profit as macroeconomic conditions were largely unchanged. The quarter was marked by seasonal factors due to yearend holidays and increased furloughs. Companies reported a cautious approach from clients with respect to new orders, with discretionary spending

continuing to remain weak. However, there was a sequential improvement and commentary from major companies indicated some green shoots. Major IT firms reported an uptick in new deals even as employee headcount has continued to decline.

- For the FMCG sector as well, the Q3-FY24 performance remained dismal, with both sales and net profit growth decelerating. Increased competition from regional peers remained a key concern for major players. The trend of softness in rural demand continued this quarter as well, with even festive demand failing to take-off materially. Delay in winter season, warmer than usual winters, lower reservoir levels and high food inflation kept a lid on rural demand. Urban markets continued to outperform, with demand for premium products continuing to outstrip the demand for mass products. To counter the increased competition some firms reported of undertaking prices cuts and higher A&P spending.
- For oil marketing companies, while net sales declined on a YoY basis, PAT growth was robust. Driving the higher profits were lower prices of oil in the international markets.
- Performance of chemicals sector was quite dismal with negative growth in both sales and net profits. Within chemicals, performance was mixes across industries:
    - Demand for agrochemicals and pharmaceuticals remains sluggish
    - Some firms also reported dumping from China as a reason for weak performance
    - Outlook is positive
    - For fertilizers, sales was impacted due to lower sowing in some key areas due to lower than expected rain and lower reservoir levels. Further, the Nutrient Based Subsidy (NBS) rate for rabi season was revised lower even as raw material prices increased. This also impacted performance.
    - On the other hand, paints segment performed relatively better witnessing strong demand from both rural and urban areas. Encouragingly, demand from non-Tier 1 cities noted an uptick. Due to this, economy segment is performing better than premium segment. Sales to both B2B and B2C showed traction.
- For diamonds and jewelry, sales growth was robust led by festive demand. A&P spends were higher during the quarter. With increase in gold prices in Dec'23, PAT growth was a little subdued and demand too saw a decline.

Concluding remarks

Corporate performance of India Inc. showed significant uptick in Q3-FY24. There was a sequential improvement in both sales and profitability indicators, which also translated into better debt serviceability of companies. However, some sectors have performed better than the others. On the rural-urban divide, the picture this time was mixed. FMCG sector continued to grapple with challenges, amidst muted rural demand and increased competition. On the other hand, certain industries such as paints, consumer durables and 2-wheeler sales painted a hopeful picture of the rural economy. Even so, tractor sales volumes remained muted. Infra linked sectors continued to do well, supported by government spending and lower input prices. Auto sector too repeated its impressive performance, led by strong demand for premium cars, predominantly from urban areas.

Overall, while profit growth has remained largely stable over the last few quarters, aided by lower input prices, sales volume have been muted. However, tensions in the Middle-East and elevated shipping costs can potentially stall this momentum. On the positive side, companies remain optimistic of the future growth outlook leading to improving capex guidance which should augur well for growth.

Annexure 1: Methodology for BoB-Corporate Financial Performance Index (BoB-CFPI)

Introduction to B-CFPI:

Ever since the pandemic, interpretation of data, especially growth numbers, has become fuzzy. Base effects on either side have tended to present a bigger picture on most occasions. When looking at corporate performance too it has been seen that besides base effects there are significant variations in the performance of various industries which is hidden when aggregate numbers are looked at. Hence while headline numbers present a certain picture, they may be driven by a handful of industries. There is a pressing need to also include these images in the evaluation process.

Rationale for BoB-CFPI:

The underlying rationale behind the construction of the index is to give a comprehensive view of the performance of the corporate sector on a quarterly basis. By tracking the index one can get a sense of how the sector has performed on certain key parameters at the disaggregated level. Hence for each of the 6 parameters looked at what matters is how many sectors have shown an improvement rather than the topline performance number.

Parameters used in B-CFPI:

Based on extensive deliberations on the variables that can be used as well as availability of data from the interim results announced, the following parameters have been chosen for computation of the index:

- To assess the **revenue growth** of a company, net sales has been taken. It is important to note that revenues are the primary driver of profitability.

- The primary purpose of a business is to earn profits. Profits are important for any business and indicate whether or not the operations of the business generate enough to keep the business sustainable in the long term. Hence, to assess **profitability**, two parameters are used.

    - The first is profit before depreciation, interest and tax (PBDIT) which provides information on the surplus/deficit after operating costs are reckoned. PBDIT is also an important component of the value added concept that goes into calculating the GDP.

    - For computing **profit margin**, we have used Profit after Tax (PAT) to Net Sales ratio. Businesses need to monitor profit margins to remain financially viable as these indicate how well the company is doing.

- Another aspect of increasing profitability of a business is through keeping costs low. Lower costs also improves a business's productivity and efficiency. To measure the **cost**, total expenditure growth is taken into account.

- As an indicator of **servicing debt**, interest coverage ratio is calculated which is Profit before Interest and Tax (PBIT) to Interest Expense ratio. Interest coverage ratio serves as a solvency check for an organization. It is used to assess the ability of a company to service its outstanding debts.

- ❖ For **pricing power**, headline WPI, CPI and its underlying components have been used interchangeably. Pricing power is important since a company with higher pricing power can increase prices without having a substantial impact on its revenue growth and hence profitability.

It must be noted that all the parameters are given equal weights as they denote a certain aspect of corporate performance.

Methodology of BoB-CFPI:

The computation of the index is derived using the 'net response score' methodology which is also used by the RBI when reckoning the Consumer Confidence Index. Basically, for all parameters the net response has been computed. Net response is the percentage of industries reporting improvement, deterioration and no change. It is important to note here that we have compared the performance in current quarter with the corresponding quarter of last year i.e. for Q1FY24 the comparison has been made with Q1FY23. Net responses so derived are then totaled with respect to sectors and indexed to 100.

For each of the indicator, different criterion have been used to quantify the quarterly performance. These are:

- ❖ For **net sales and PBDIT,** any change in YoY growth rate which is higher than 10% over the same quarter last year, accounts as improvement. Conversely, if the YoY growth is less than 10% over the same quarter last year, it reflects deterioration. Change within 10% implies no change. For example, if net sales growth in Q1FY23 was, say 20% for Q1FY24, the net response would be "Improvement" for profit growth above (20+10% of 20 i.e., 22%). If profit growth in Q1FY24 was less than 10% of Q1FY23 i.e. 20-10% of 20 i.e. 18%), the net response will be "Worsen". For profit growth in range of 22% to 18%, the net response will be "No Change".

- ❖ For **cost parameter**, any change in YoY growth rate which is less than 10% is counted as improvement, any change above 10% is taken into account as deterioration and 10% as no change.

- ❖ For **profit margin**, any ratio which is higher than 0.5%, is counted as improvement, lower by more than 0.5% to denote deterioration, and up to +0.5 to - 0.5% is counted as no change.

- ❖ For **Interest coverage ratio**, any ratio above 3% is improvement, less than 1% is deterioration and between 1-3% as no change.

- ❖ For **pricing power**, more from a producer's perspective, any number greater than 4% is counted as improvement, and less than 0% is counted as deterioration and between 0-4% as no change. RBI's inflation target of 4% is used as a reference.

List of sectors

S.No.	Sector
1	Agri
2	Alcohol
3	Automobile & Ancillaries
4	Capital Goods
5	Chemicals
6	Construction Materials
7	Consumer Durables
8	Crude Oil
9	Diamond & Jewellery
10	Diversified
11	Electricals
12	Finance
13	FMCG
14	Gas Transmission
15	Healthcare
16	Hospitality
17	Inds. Gases & Fuels
18	Infrastructure
19	Iron & Steel
20	IT
21	Logistics
22	Media & Entertainment
23	Mining
24	Non - Ferrous Metals
25	Paper
26	Plastic Products
27	Power
28	Realty
29	Retailing
30	Telecom
31	Textile
32	Trading

Source: AceEquity, Bank of Baroda Research

Annexure 2: Growth in net sales (%)

Sector	Number of companies	Net sales, In Rs. Crore		Growth in Net sales, % YoY	
		Q3-FY23	Q3-FY24	Q3-FY23	Q3-FY24
Finance	395	85,222	1,04,386	17.2	22.5
Textile	232	38,321	41,057	-15.2	7.1
Chemicals	207	1,21,547	99,535	21.8	-18.1
Capital Goods	204	56,825	62,938	10.7	10.8
Automobile & Ancillaries	175	1,85,730	2,10,694	22.0	13.4
Healthcare	174	58,059	63,336	5.2	9.1
IT	162	1,54,662	1,59,488	19.5	3.1
Trading	152	33,140	39,816	0.4	20.1
FMCG	136	1,05,723	1,07,071	10.4	1.3
Agri	91	24,223	23,776	11.4	-1.8
Plastic Products	90	14,762	14,615	0.4	-1.0
Iron & Steel	89	1,48,432	1,52,812	11.1	3.0
Realty	87	15,214	16,005	13.8	5.2
Construction Materials	86	54,437	58,070	14.5	6.7
Infrastructure	74	66,489	75,551	11.0	13.6
Hospitality	61	6,562	7,300	42.6	11.2
Media & Entertainment	61	8,281	9,259	2.7	11.8
Logistics	47	16,637	17,225	11.7	3.5
Consumer Durables	43	16,713	18,097	1.8	8.3
Paper	37	8,366	7,582	30.0	-9.4
Bank	36	3,36,418	4,16,063	24.3	23.7
Electricals	35	11,583	12,494	12.4	7.9
Power	35	85,573	88,476	33.1	3.4
Business Services	32	5,903	6,224	12.3	5.4
Non - Ferrous Metals	30	49,829	52,458	0.3	5.3
Retailing	28	25,462	30,221	21.6	18.7
Diamond & Jewellery	26	19,491	22,920	8.3	17.6
Telecom	26	44,588	48,054	12.3	7.8
Crude Oil	21	7,02,808	6,92,449	15.7	-1.5
Miscellaneous	13	335	305	-0.6	-8.9
Diversified	12	15,551	15,550	9.8	0.0
Alcohol	11	16,240	18,427	-8.5	13.5
Mining	11	5,811	7,311	-28.2	25.8
Inds. Gases & Fuels	9	52,257	50,034	33.5	-4.3
Insurance	7	1,63,592	1,73,565	11.4	6.1
Gas Transmission	5	11,337	11,532	11.1	1.7
Total	**2,940**	**27,66,122**	**29,34,697**	**15.3**	**6.1**

Source: AceEquity, Bank of Baroda Research

Annexure 3: Growth in Net Profit (%)

Sector	Number of companies	PAT, In Rs. Crore		Growth in PAT, % YoY	
		Q3-FY23	Q3-FY24	Q3-FY23	Q3-FY24
Finance	395	23,565	24,531	38.1	4.1
Textile	232	1,047	4,444	-75.4	324.4
Chemicals	207	10,250	6,885	7.7	-32.8
Capital Goods	204	5,257	6,374	19.1	21.2
Automobile & Ancillaries	175	13,653	23,506	56.0	72.2
Healthcare	174	6,895	9,333	-13.9	35.3
IT	162	27,388	28,023	7.9	2.3
Trading	152	546	1,241	276.5	127.3
FMCG	136	13,304	13,636	22.3	2.5
Agri	91	918	734	11.6	-20.1
Plastic Products	90	781	1,254	-31.5	60.6
Iron & Steel	89	2,088	12,772	-87.1	511.6
Realty	87	1,941	1,515	109.5	-21.9
Construction Materials	86	2,388	4,543	-36.7	90.2
Infrastructure	74	2,454	3,131	-20.2	27.6
Hospitality	61	1,093	1,350	131.3	23.5
Media & Entertainment	61	795	892	-47.0	12.2
Logistics	47	1,488	2,177	-28.2	46.3
Consumer Durables	43	625	706	-20.6	12.9
Paper	37	1,009	678	221.2	-32.8
Bank	36	53,664	59,561	53.5	11.0
Electricals	35	858	759	51.3	-11.6
Power	35	13,516	12,988	34.2	-3.9
Business Services	32	481	480	21.8	-0.2
Non - Ferrous Metals	30	7,786	6,680	-33.2	-14.2
Retailing	28	1,378	1,923	3.9	39.6
Diamond & Jewellery	26	1,261	1,365	-0.2	8.2
Telecom	26	-13,162	-5,334	101.3	-59.5
Crude Oil	21	23,671	33,789	-22.8	42.7
Miscellaneous	13	86	46	4.7	-46.1
Diversified	12	868	902	-17.0	3.8
Alcohol	11	352	681	-39.0	93.7
Mining	11	1,207	1,769	-48.6	46.7
Inds. Gases & Fuels	9	1,567	4,169	-65.3	166.1
Insurance	7	9,369	12,948	743.2	38.2
Gas Transmission	5	1,141	1,364	37.1	19.6
Total	**2,940**	**2,21,528**	**2,81,814**	**3.3**	**27.2**

Source: AceEquity, Bank of Baroda Research| Note: *denotes movement from (-) to (+) or vice versa, or very high growth rates

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