

**RESEARCH**
**BOB ECONOMICS RESEARCH | CORPORATE PERFORMANCE**

How have companies fared in Q4FY24?

**Daily macro indicators**

Indicator	4-Jun	5-Jun	Chg (%)
US 10Y yield (%)	4.33	4.28	(5bps)
India 10Y yield (%)	7.04	7.03	(1bps)
USD/INR	83.53	83.38	0.2
Brent Crude (US\$/bbl)	77.5	78.4	1.1
Dow	38,711	38,807	0.2
Hang Seng	18,444	18,425	(0.1)
Sensex	72,079	74,382	3.2
India FII (US\$ mn)	3-Jun	4-Jun	Chg (\$ mn)
FII-D	272.6	103.3	(169.4)
FII-E	824.3	(1,466.3)	(2,290.6)

Source: Bank of Baroda Economics Research

**SUMMARY**
**INDIA ECONOMICS: CORPORATE PERFORMANCE**

Financial performance of India Inc. continued to be marked by a moderation in sales growth, even as profit growth picked up when compared with last year. Banks and the auto sector remained the outperformers and contributed to most of the growth in both sales and profits. This was similar to the trend witnessed in the last 3 quarters of the year. FMCG sector still awaits a meaningful recovery in demand, with many companies resorting to a volume-led approach by undertaking price cuts.

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## CORPORATE PERFORMANCE

06 June 2024

**How have companies fared in Q4FY24?**

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**Aditi Gupta**  
Economist

On the positive side, there is some momentum in sectors such as textiles and consumer durables. Improvement in external demand should also aid the performance of other export-oriented sectors. However, companies are likely to struggle to maintain margins as global commodity prices have stabilized. Further, demand for capex linked sectors is likely to be curtailed due to elections and monsoon. An expected recovery in rural demand should provide some comfort. Overall, we believe that corporate performance in FY25 could be marked by higher volume growth given stable growth conditions in the economy.

**Financial performance of corporates in Q4 FY24:**

Financial performance of 2537 companies suggests that Q4-FY24 was marked by a slowdown in net sales, even as profit growth exhibited an uptick on a YoY basis. Table 1 presents a summary of the financial performance. Sales growth moderated from 10.2% in Q4 FY23 to 7.8% in Q4 FY24. Expenditure growth remained stable at 7.5%. This was also reflected in a significant improvement in profitability. All major profit indicators witnessed an improvement led by lower input prices as global commodity prices were elevated in Q4 FY23.

**Table 1: Overview of performance of 2,537 companies**

	In Rs. Crores		% YoY	
	Q4-FY23	Q4-FY24	Q4-FY23	Q4-FY24
Net Sales	28,93,818	31,18,746	10.2	7.8
Expenditure	23,26,311	25,01,706	7.6	7.5
Operating profit	6,52,128	7,81,006	12.5	19.8
PBT	3,51,677	4,29,656	6.4	22.2
PAT	2,78,333	3,25,853	8.4	17.1

Source: AceEquity, Bank of Baroda Research

There was improvement in sales growth on a sequential basis. On the other hand, profit growth saw a marked slowdown as commodity prices stabilized and as such the tailwinds from the correction in global commodity prices have largely been utilized.



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