

May 17, 2017



Get latest news and analysis in Indian Business and Politics
Latest news updates and analysis from BW throughout the day. You can unsubscribe anytime.

Magazine Issue Advertise With Us Careers RSS f



Powered By : iZooto

Later Allow

- HOME
 - WEB EXCLUSIVES ▾
 - COLUMNS ▾
 - COMMUNITIES
 - EVENTS
 - BW TV ▾
 - SUBSCRIBE TO PRINT
-
- # Business News
 - # StartUp-&-Entrepreneur
 - # Hospitality-Industry
 - # Smartcities
 - # Technology-Leaders
 - # Advertising-&-Event-Industry
 - # Sustainability

India Inc's Early Results Show A Drop In Profit Growth In Q4

Companies are recording better revenue numbers in Q4, but cost increases play spoilsport to the profit growth numbers

Photo Credit : Shutterstock,



16 May, 2017 by Clifford Alvares

Print this article
Font size - 16 +

Search

- Article
- Quick
- Author



Category Jumptlist ↑

Socialize

Get Social! Follow us on your social networking website.



India Inc's early bird numbers are showing a mixed trend even as revenue growth has been rising, profits are showing a negative divergence.

The performance of 432 companies shows an improvement in revenues of 10.5 per cent, while net profits slumped 14.3 per cent in Q4.

The net profit margins have also slipped down to 8.6 per cent from 11 per cent from a year ago levels, according to data by CARE Ratings. The analysis has been done for a sample of 432 companies that have released their numbers over till May 12, 2017.

The fourth quarter numbers are coming on the back of the demonitisation announcement made by the government, and suggests that India Inc had to take some write-offs in the numbers due to higher costs.

However, the overall aggregate numbers are buoyed by a sharp pickup in net profits of banks, oil and gas companies, and the IT sector. Excluding the banks, oil and gas, and IT companies, the net profit shows a minor increase of 7.5 per cent in revenues. However, the surprise is that net profits show a dramatic dip by -107.4 per cent in Q4 of FY 16.

Net profit margins also come in negative at -0.6 per cent in the same period after excluding sectors like banks, oil and gas, and IT.

The results of seventeen banks that have released their numbers so far are showing a huge jump in net profit growth, even though revenues have grown marginally, thanks to the huge losses reported in Q4 FY16, which resulted in a lower base.

Banks reported a revenue growth of 5.1 per cent
350.7 per cent over the same period.



Get latest news and analysis in Indian
Business and Politics

Latest news updates and analysis from BW
throughout the day. You can unsubscribe
anytime.

en a whopping

ll quarter of
her costs

A clearer picture of India Inc will emerge after m
performance immediately after demonetisation
companies have incurred in the last quarter, and

Powered By : [iZooto](#)

Later

Allow

Oil and gas and banks have been major contributors to the general health of India Inc due to structural changes in these
sectors. Banking companies have bounced back largely on the back of lower provisions made this year. Oil companies reported a
surge in profits as international oil prices have been sliding resulting in higher profit growth.

Share this article:

Tags assigned to this article:

- company results
- q4
- revenue growth
- Demonetisation

Advertisement

Category Jumptlist ↑