

AUTO TAKES THE WHEEL, BANKS RIDE SHOTGUN

Q1FY24 saw robust earnings growth led by government-owned oil & gas marketing firms, banks, autos, and finance & insurance, which accounted for nearly 90% of India Inc's net profit surge over Q1FY23. In contrast, metals & mining, power, and Reliance Industries reported year-on-year declines. Overall profit growth stemmed from cost savings. Revenue slowed across sectors, except for banking and automotive companies. IT services, a growth driver, showed a revenue and profit slowdown, ranking third in net profit after banks and oil firms. Here's the scorecard of Q1FY24's top 10 sectors by earnings, presented by KRISHNA KANT, AMRITHA PILLAY, RAM PRASAD SAHU, SOHINI DAS, and SHIVANI SHINDE



OIL & GAS

Y-o-Y chg in %	Net sales	Raw material consumed	Employee expenses	PBIDT	Interest	Net profit
	-6.7	-23.1	41.3	LTP	22.3	LTP
BPCL	-6.7	-23.1	41.3	LTP	22.3	LTP
GAIL (India)	-13.5	-12.6	10.8	-35.8	220.1	-44.9
Indraprastha Gas	6.7	7.5	5.7	8.9	0.9	8.5
ONGC	-10.4	-21.3	8.4	62.1	44.2	18.4
Reliance	-5.2	-10.2	10.0	5.0	46.0	-10.8

- ▶ State-run oil-marketing companies' profitability gained from improvements in marketing margins, particularly retail. The first quarter (Q1) of 2023-24 (FY24) was a 'back in black' quarter after reporting losses in the quarter gone by
- ▶ Reliance Industries' oil-to-chemicals (O2C) division saw earnings taper off after an exceptionally strong year-ago quarter of all-time high margins.

The dip was partially offset by improved performance of the consumer businesses – retail and digital

- ▶ Weakness in the petrochemical business also weighed on GAIL (India)'s Q1FY24 profit numbers
- ▶ Oil and Natural Gas Corporation's India business suffered from lower oil prices and output, leading to lower profits on a standalone basis
- ▶ City-gas distribution firms



reported seasonal weakness in the industrial and commercial segment volumes. Margins for Mahanagar Gas improved despite muted volume growth due to lower gas costs and improved realisations