

# 'India Inc logs lowest revenue growth in almost four years'

**REASON FOR DIP.** Drop in agri-linked sectors, impact of polls on construction activities

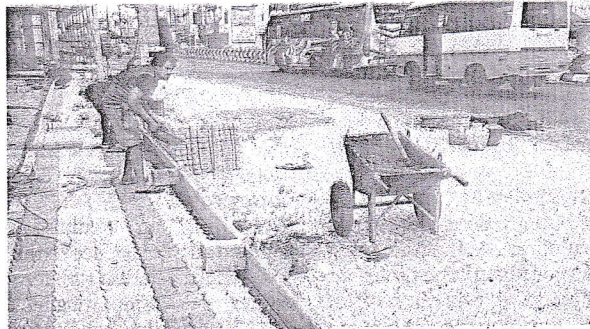
Our Bureau  
Mumbai

In a sign of slowing economy, Corporate India registered the lowest revenue growth of 5 to 7 per cent in the June quarter against 7 per cent logged in the March quarter. The growth was the lowest in the last 15 quarters and the third straight quarter of moderation, according to the CRISIL Market Intelligence and Analytics analysis of 350 companies.

The decline was largely due to a drop in agriculture-linked sectors such as fertilizers, seasonal factors and the impact of the general elections on construction-linked sector. In the cement sector, revenue growth remained moderate on a high base of the year-ago quarter and large and mid-sized players reeled under pricing pressure.

For small companies, volumes were subdued due to lower market reach and a slowdown during the Lok Sabha elections.

In the case of steel products, too, while domestic demand was healthy, prices moved south, capping



**CONCRETE OR NOT?** In the cement sector, growth remained moderate on a high base of the year-ago quarter, and large and mid-sized players reeled under pricing pressure

further improvement in revenue.

#### RESPITE FOR SOME

Aniket Dani, Director-Research, CRISIL Market Intelligence and Analytics, said consumer discretionary and staple products and services — 35 per cent of the sample's revenue — clocked growth in the quarter.

Consumer discretionary products such as automobiles, organised retail, distillers and breweries, textiles, and consumer discretionary services such as media and entertainment and hotels clocked better growth. Exports grew steadily, backed

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gistered in March quarter due to a seasonal dip in hotels following intense heatwaves and fewer wedding days, and subdued revenue in commercial vehicles. Investment-linked sectors such as power, capital goods, ports and shipping also clocked strong growth. The power sector, which accounts for nearly 70 per cent of revenue of this vertical, is estimated to have grown 12 per cent, driven by prolonged and intense heatwaves across the nation during the quarter.

Arindam Pal, Associate Director - Research, CRISIL Market Intelligence and Analytics said going forward, corporate performance will be supported by improved demand, particularly after a likely good monsoon that would push up rural demand amid easing inflationary pressure.

by drug shortages and easing pricing pressure in the US, which propped up the pharma industry and a modest growth in the IT industry, he said. Tractors benefited from expectations of a favourable monsoon and increase in MSPs. Two-wheeler sales grew, riding on rural demand. In case of FMCG sector, recovery in rural India kept growth steady.

#### POWER SECTOR

However, the pace of growth of consumer discretionary products, services and services verticals eased compared with the growth re-