

Performance of Private Corporate Business Sector during First Half of 2010-11*

The article reviews the performance of the private corporate business sector during first half of 2010-11 based on abridged financial results of 2576 non-government non-financial listed companies. The analysis reveals that sales growth, which had been flat in the first half of 2009-10, was robust during April-September 2010 on the back of pick-up in demand. However, despite robust revenue growth, companies in aggregate could not generate higher profit margins primarily on account of higher input prices and rise in interest outflow. In terms of sectoral breakdown, manufacturing companies' dominance was seen. The sales growth was more prominent for companies in the manufacturing sector vis-à-vis those in the services sector. However, profit growth in both the sectors was hit during the first half of 2010-11.

The article analyses the performance of the private corporate business sector during the first half of 2010-11 (H1FY11 (April-September)) based on data

relating to 2576 non-government non-financial listed companies and provides, *inter alia*, a brief analysis by size and industry. The coverage of the selected companies in terms of paid-up capital (PUC), sales and market capitalisation in relation to the companies listed on the Bombay Stock Exchange as on September 2010 was around 81 per cent, 94 per cent and 95 per cent, respectively**. A brief review of the performance of private corporate sector over the first two quarters of 2010-11 has also been presented based on the abridged financial results of 2546 and 2586 companies, respectively, and on a common set of 2148 companies.

Performance of Non-Financial Non-Government Companies

Overall Performance, H1:2010-11

Overall performance of 2576 select non-financial non-government companies shows that the sales

Table 1: Performance of Non-Government Non-Financial Companies, H1:2010-11

Item	All Companies			Common Companies		
	H1:2010-11		H1: 2009-10*	H1:2010-11		H1: 2009-10
No. of companies	2576		2579	2148		
	Amount (₹ Crore)	YoY Growth in Per cent	YoY Growth in Per cent	Amount (₹ Crore)	YoY Growth in Per cent	YoY Growth in Per cent
1	2	3	4	5	6	7
Sales	9,99,734	21.5	-0.6	9,59,139	21.4	-0.2
Change in stock	15,927	70.0	-39.2	18,627	57.3	-41.5
Expenditure	8,55,198	24.2	-3.4	8,20,825	24.0	-3.2
CRM**#	4,55,914	28.5	-6.6	4,38,092	28.0	-8.6
Staff Cost#	71,133	17.0	7.0	69,161	17.5	7.2
Power & fuel	31,480	12.7	-14.9	31,164	13.1	-14.8
Operating Profits (PBDIT)	1,60,462	11.7	8.8	1,56,941	12.5	9.7
Other Income	17,376	18.3	28.8	16,583	12.0	26.3
Depreciation	38,839	18.7	21.4	37,542	19.0	22.1
Gross Profits (PBIT)	1,38,999	10.7	7.9	1,35,982	10.8	8.6
Interest	28,141	16.2	1.8	26,681	16.1	2.7
Profit before tax (PBT)	1,10,857	9.3	9.5	1,09,301	9.5	10.0
Tax provision	26,343	9.6	22.2	25,828	10.3	21.1
Profit after tax (PAT)@	86,066	6.8	8.4	85,817	7.8	8.1
Paid-up capital	87,970	13.6	5.1	80,020	13.7	5.2

@ Adjusted for non-operating surplus/deficit.

* Published in the January 2010 issue of RBI Bulletin

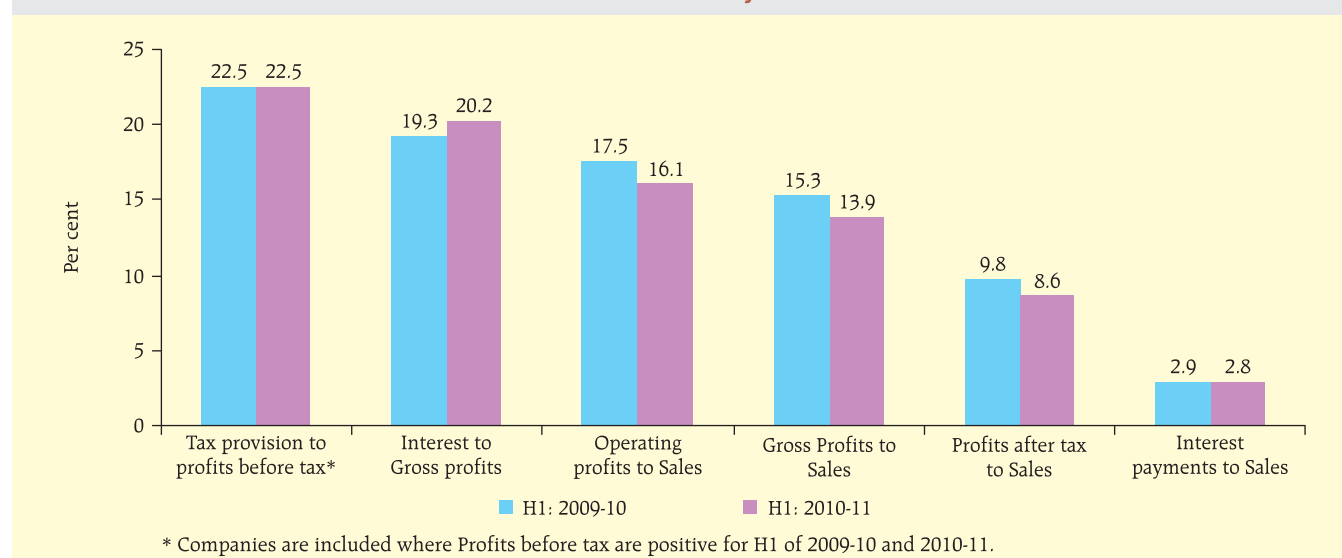
** CRM: Consumption of Raw Materials.

CRM and staff cost for reporting companies are presented in Table 7 and 8 respectively.

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** Source: Capital Line database based on 2148 companies common in the first half of 2010-11 and the same period of the previous year.

Chart 1: Profit allocation, Profitability and Interest-linked ratios



growth, which had been flat in the first half of 2009-10, was robust during April-September 2010 on account of rise in consumption demand and better price realisations (Table 1). Aggregate stock-in-trade was sharply built-up in the first half of 2010-11 to meet the business demand. However, despite recording robust sales of about ₹10 lakh crore, corporates on an aggregate could not improve their year-on-year profit performance largely on account of higher input costs, significant increase in interest payments and lower foreign exchange related gain. With faster increase in total expenditure in relation to sales, profitability in terms of operating, gross and net margins contracted by 140, 140 and 120 basis points, respectively, in the first half of 2010-11 (Chart 1). Interest burden, which is measured as a ratio of interest payments to gross profits, increased by 90 basis points due to faster increase in interest outgo in comparison to gross

profits. Depreciation provision reported a growth of 18.7 per cent compared to more than 20 per cent growth observed in the first half of last year indicating lower capacity additions.

The rest of the analysis is based on 2148 common companies for which data are available both for first half of 2010-11 and 2009-10.

Performance according to Size of Paid-up capital

The performance during first half of 2010-11 of select 2148 companies according to size, taking paid-up-capital (PUC) as size variable, indicates the predominance of the top size class (comprising companies having PUC more than ₹25 crore each) in overall performance (Table 2). This class accounted for around 81 per cent of total PUC and reported robust sales growth of 21.4 per cent and operating

Table 2: Performance of the Select Companies according to the Size of Paid-up capital, H1: 2010-11

PUC size class (₹ Crore)	No. of companies	Per cent share in PUC	Per cent share in sales	Per cent change (YoY)								
				Sales	Other Income	Expenditure	PBDIT	Depreciation	PBIT	Interest	Tax provision	PAT
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 5	435	1.7	1.8	11.7	-15.6	10.8	31.6	9.7	28.3	1.7	42.2	133.8
5 to 10	477	4.2	4.7	22.1	4.5	23.5	20.5	9.6	21.6	9.8	10.9	29.1
10 to 15	370	5.6	6.0	26.0	1.1	29.5	11.8	17.2	9.2	8.4	13.5	11.0
15 to 25	318	7.6	8.5	20.1	9.0	24.5	4.0	8.8	3.2	3.1	4.3	11.6
25 and above	548	80.9	79.0	21.4	13.6	23.9	12.7	20.5	10.8	19.3	10.2	5.5
All companies	2148	100.0	100.0	21.4	12.0	24.0	12.5	19.0	10.8	16.1	10.3	7.8

Table 3: Profit Allocation, Interest-linked and Profitability Ratios according to the Size of Paid-up capital, H1:2010-11

PUC Size class (₹ Crore)	(Per cent)											
	Profit Allocation Ratios				Interest-linked Ratios				Profitability Ratios			
	Tax provision to profits before tax*		Interest to Gross Profits		Interest coverage (Times)		Interest to Sales		Gross profits to Sales		Profits after tax to Sales	
	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 5	25.9	27.4	26.9	21.4	3.7	4.7	2.5	2.2	9.2	10.5	4.7	9.7
5 to 10	29.8	26.6	28.8	26.0	3.5	3.8	3.2	2.9	11.2	11.1	6.1	6.4
10 to 15	22.4	23.2	29.2	29.0	3.4	3.4	3.5	3.0	11.9	10.4	6.5	5.7
15 to 25	23.1	23.4	27.3	27.3	3.7	3.7	3.5	3.0	12.7	10.9	6.9	6.4
25 and above	22.1	22.1	16.9	18.2	5.9	5.5	2.8	2.7	16.5	15.1	11.1	9.6
All companies	22.4	22.4	18.7	19.6	5.3	5.1	2.9	2.8	15.5	14.2	10.1	8.9

* Companies are included where Profits before tax are positive for H1 of 2009-10 and 2010-11.

profits growth of 12.7 per cent. Operating profits growth of all the classes except those with PUC between ₹15 crore to ₹25 crore were also significant. However, due to higher interest expenses, the net profit growth of the largest size class was considerably lower. Table 3 reveals contraction in the profit margins for all size groups barring the smallest size group. Interest burden for top size class increased by 1.3 percentage points whereas it decreased in the lower size classes.

Performance according to Size of Sales

Table 4 and 5 show the comparative performances of select 2148 companies, when value of sales is taken

to be the size differentiator. The bigger companies recorded higher sales growth and also relatively higher growth in operating profits.

Interest cost grew by 17.6 per cent for the top size class; however, interest to sales ratio declined marginally and was the lowest among all size classes. Both the interest to sales ratio and the interest coverage ratio declined with the increase in size of sales.

Industry-wise Performance during H1: 2010-11¹

Performance of companies engaged in manufacturing activities dominated the overall

Table 4: Performance of the Select Companies according to the Size of Sales, H1:2010-11

Sales Size class (₹ Crore)	No. of Companies	Sales (₹ Crore)	Per cent share in sales	Per cent change (YoY)								
				Sales	Other Income	Expenditure	PBDIT	Depreciation	PBIT	Interest	Tax provision	PAT
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 25	446	2,143	0.2	-51.4	-18.2	-50.5	-48.0	-9.6	-46.6	62.6	-56.9	\$
25 to 50	219	4,076	0.4	1.0	19.1	1.8	-5.2	6.7	-3.5	-18.3	19.6	9.3
50 to 100	238	8,630	0.9	15.8	18.6	23.8	-10.6	12.2	-11.3	12.3	-8.3	-31.6
100 to 500	675	82,926	8.6	18.0	22.3	19.0	12.0	13.2	13.3	13.0	10.0	42.5
500 to 1000	235	82,609	8.6	23.5	0.4	26.9	13.8	10.0	13.5	10.6	8.8	15.2
1000 and above	335	7,78,756	81.2	22.3	12.2	25.0	12.8	20.9	10.7	17.6	10.9	6.3
All Companies	2148	9,59,139	100.0	21.4	12.0	24.0	12.5	19.0	10.8	16.1	10.3	7.8

\$ Profit to Loss

¹ Based on 2148 companies common in the first half of 2010-11 and the same period of the previous year.

Article

Performance of Private Corporate Business
Sector during First Half of 2010-11

Table 5: Profit Allocation, Interest-linked and Profitability Ratios according to the Size of Sales, H1:2010-11

(Per cent)												
Sales Size class (₹ Crore)	Profit Allocation Ratios				Interest-linked Ratios				Profitability Ratios			
	Tax provision to profits before tax*		Interest to Gross Profits		Interest coverage (Times)		Interest to Sales		Gross profits to Sales		Profits after tax to Sales	
	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11	H1: 09-10	H1: 10-11
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 25	21.1	14.4	62.1	189.3	1.6	0.5	3.6	12.2	5.9	6.4	4.1	-9.2
25 to 50	19.8	21.0	53.4	45.2	1.9	2.2	4.5	3.6	8.4	8.0	3.9	4.2
50 to 100	23.8	21.8	26.9	34.0	3.7	2.9	4.0	3.9	15.0	11.5	9.2	5.4
100 to 500	23.8	22.9	37.9	37.8	2.6	2.6	4.6	4.4	12.1	11.6	5.5	6.6
500 to 1000	21.6	20.7	27.9	27.2	3.6	3.7	3.8	3.4	13.7	12.6	8.1	7.6
1000 and above	22.4	22.6	16.0	17.0	6.2	5.9	2.6	2.5	16.2	14.7	10.9	9.5
All Companies	22.4	22.4	18.7	19.6	5.3	5.1	2.9	2.8	15.5	14.2	10.1	8.9

* Companies are included where Profits before tax are positive for H1 of 2009-10 and 2010-11.

performance. Their sales and net profits grew by 24.8 and 12.2 per cent, respectively. Companies engaged in IT services performed well with 15.9 per cent growth in sales but their net profits grew by only 5.9 per cent due to higher incidence of

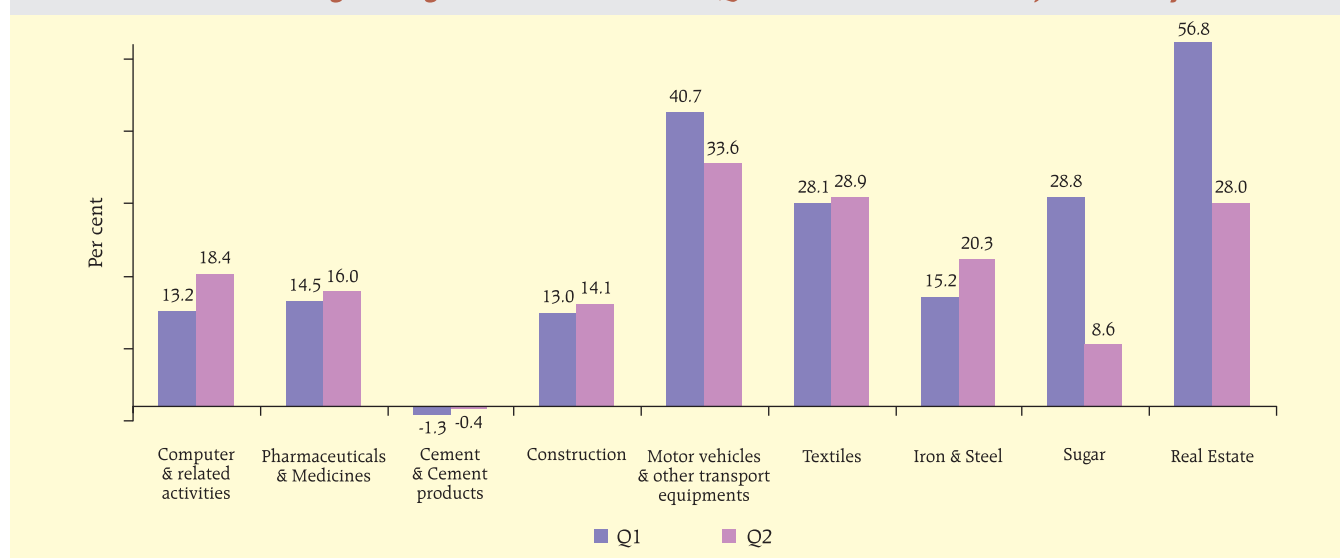
interest and tax. Companies engaged in other services registered 11.2 per cent and (-) 6.7 per cent growth in sales and net profits, respectively, as higher growth in interest outgo pulled down the net profits.

Table 6: Sector-Wise Performance of 2148 Selected Companies, H1:2010-11

Item	Manufacturing		Services			
			Services other than IT		Computer and related activities (IT)	
	Amount (₹ Crore)	Per cent change (YoY)	Amount (₹ Crore)	Per cent change (YoY)	Amount (₹ Crore)	Per cent change (YoY)
1	2	3	4	5	6	7
No. of companies	1604		390		154	
Sales	7,18,486	24.8	1,77,157	11.2	63,497	15.9
Other Income	11,036	10.6	4,107	14.7	1,439	14.7
Expenditure	6,23,907	27.6	1,48,650	12.4	48,268	18.0
CRM	4,06,358	29.8	29,796	8.6	1,938	28.0
Staff Cost	34,054	18.6	12,591	15.1	22,516	17.2
Power & fuel	19,690	15.0	11,474	10.0	0	-
Operating Profits (PBDIT)	1,10,774	12.7	30,798	13.5	15,369	9.0
Depreciation	25,922	23.3	9,553	13.8	2,067	-3.1
Gross Profits (PBIT)	95,888	9.9	25,352	13.6	14,742	11.5
Interest	17,025	9.3	8,975	31.8	682	14.8
Profit before tax (PBT)	78,864	10.1	16,377	5.5	14,060	11.4
Tax provision	19,089	7.5	4,219	13.7	2,521	29.3
Profit after tax (PAT)	60,447	12.2	13,769	-6.7	11,601	5.9
Paid-up capital	47,489	13.2	27,352	14.3	5,179	15.7

CRM: Consumption of raw materials

Chart 2: Percentage change (YoY) in Sales in the Quarters of 2010-11 – Major Industry-wise



Detailed industry-wise data presented in Statements 1 to 4 revealed that sales growth was broad-based covering almost all the industries except the cement industry and wholesale & retail trade. However, the profit performance of various industries was mixed. While mining and quarrying, textiles, chemical fertilisers & pesticides, iron & steel, metal products (other than machinery and equipment), real estate and wholesale & retail trade recorded impressive growth in both operating and net profits, cement, electrical machinery and transport, communication & storage industry registered lower

profits as compared to the corresponding half-year period in 2009-10. The sugar industry which posted 18.3 per cent increase in sales, recorded net losses on account of high operating and interest expenses. Provisioning towards depreciation increased by more than 50 per cent for petroleum refinery and around 50 per cent for mining & quarrying industry, indicating large capacity additions.

The poor profit performance in some of the industries, in particular, cement, construction, food products and tea plantation companies during Q1 and Q2 of 2010-11 was on account of varied reasons

Chart 3: Percentage change (YoY) in Net Profits in the Quarters of 2010-11 – Major Industry-wise

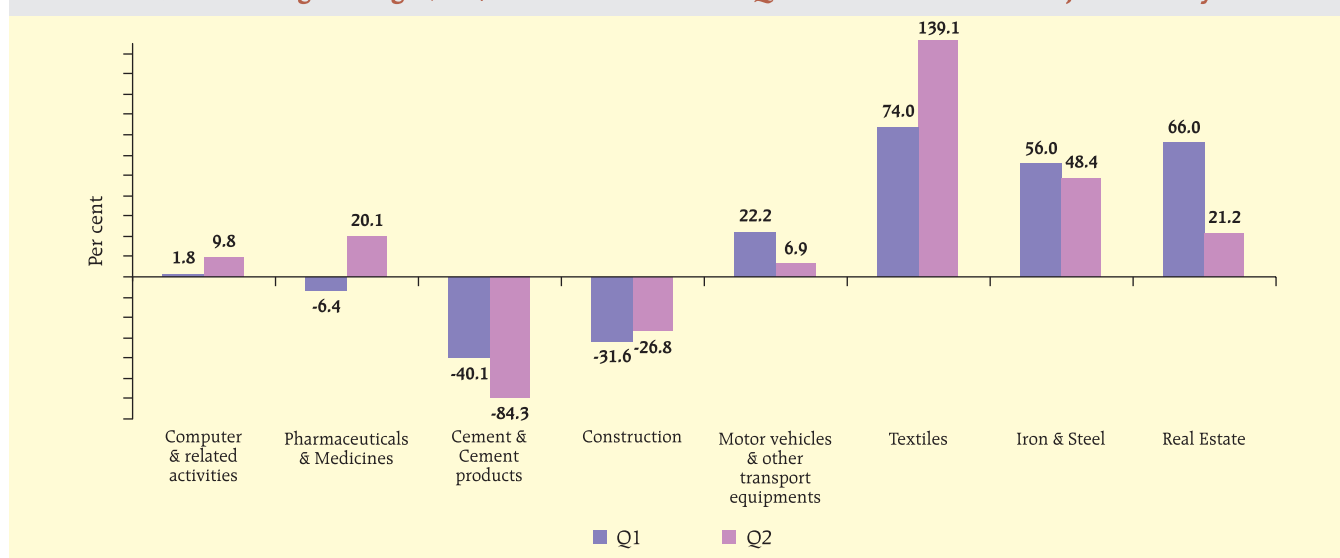
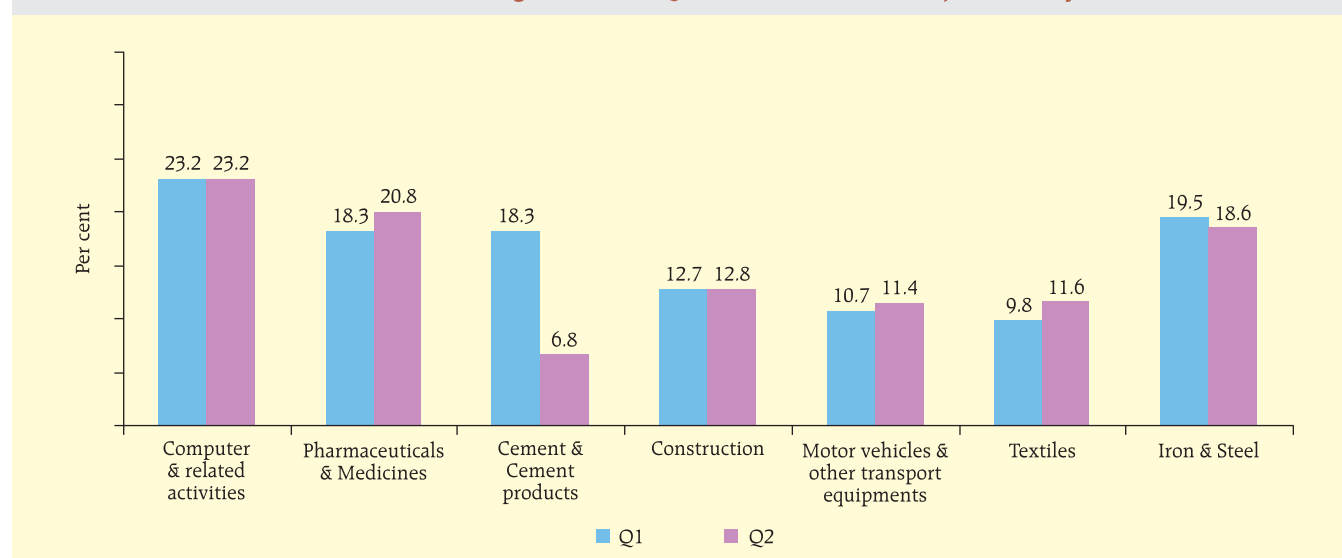


Chart 4: Gross Profit Margin over the Quarters of 2010-11 – Major Industry-wise



like expenditure growth outpacing sales, increase in interest outgo and lower foreign exchange related gains. Profitability in terms of gross and net margins contracted considerably, influenced by higher input costs and sizable rise in interest payments.

Tea plantation, mining & quarrying, sugar, paints & varnishes, jewellery, real estate, and petroleum refinery industries capitalised the low base of previous year by registering very high growth in sales in Q1 of 2010-11 compared to Q2 of 2010-11. A noticeable observation about petroleum refinery industry is that it registered the highest share in sales of 14.6 per cent

and registered the highest growth in sales in Q1 and first half of 2010-11.

Major Components of Expenditure, H1: 2010-11

Consumption of Raw Materials

Expenditure on consumption of raw materials for reporting companies shot up by 27.7 per cent during April-September 2010, the rise being higher during the first quarter (Table 7). Higher input costs, that led to a noticeable rise in total expenditure, *vis-à-vis* relatively lower revenue receipt for companies resulted in a

Chart 5: Interest Burden (Interest to Gross Profits) over the Quarters of 2010-11 – Major Industry-wise

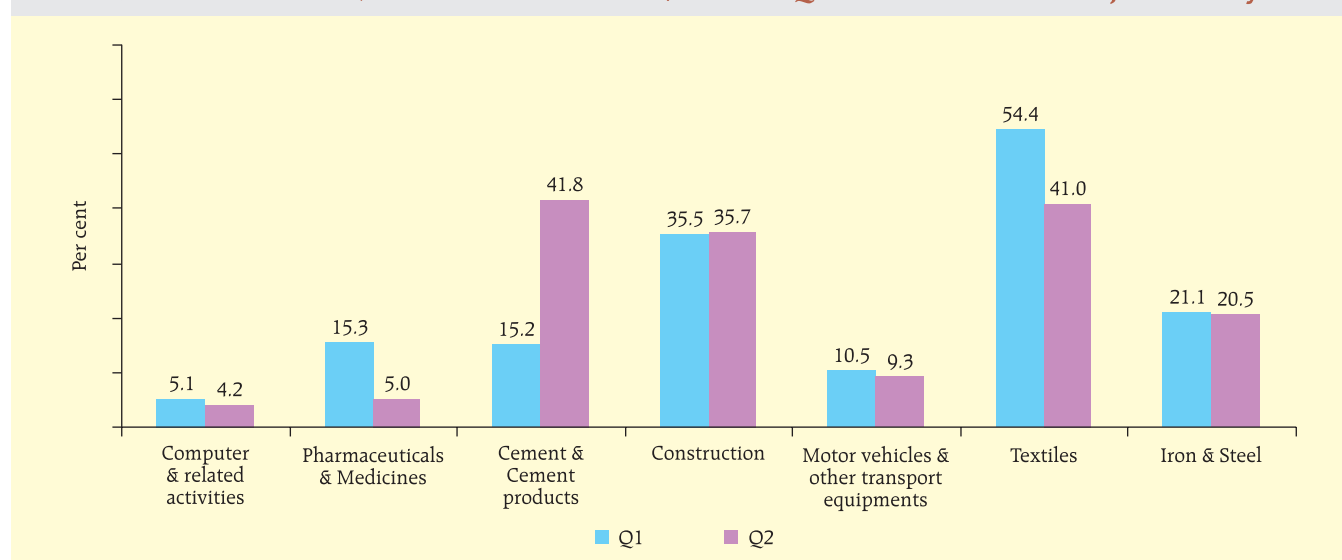


Table 7: Consumption of Raw Materials during H1: 2010-11

(Amount in ₹ Crore)									
Item	Q1: 09-10	Q1: 10-11	Per cent change (YoY)	Q2: 09-10	Q2: 10-11	Per cent change (YoY)	H1: 09-10	H1: 10-11	Per cent change (YoY)
1	2	3	4	5	6	7	8	9	10
No. of companies	1625*			1627*			1645*		
Consumption of raw materials	1,57,853	2,15,698	36.6	1,83,246	2,20,770	20.5	3,41,966	4,36,604	27.7
Expenditure	2,55,466	3,35,783	31.4	2,87,721	3,48,035	21.0	5,49,775	6,90,770	25.6
CRM as percentage of expenditure	61.8	64.2		63.7	63.4		62.2	63.2	

* Number of companies reporting expenditure of raw materials explicitly.

contraction in profit growth at the operating level itself (Table 1 & 7). The share of consumption of raw material in total expenditure at 63.2 per cent in the first half of 2010-11 increased by 100 basis points compared to the same period a year ago.

Staff Cost

The staff cost rose by 17.5 per cent in H1 of 2010-11 (Table 8) though as a percentage of expenditure it was lower at 8.5 per cent as compared with 8.9 per cent observed in H1: 2009-10. Generally, it is observed that staff costs is higher for IT companies compared to manufacturing and services sector companies.

Change in Stock-in-Trade

Reflecting business recovery, accumulation of stock-in-trade during the first half of 2010-11 at

₹18,618 crore was 57.2 per cent higher over that in the corresponding period of last year at ₹11,842 crore. Change in stock-in-trade formed 2.3 per cent of sales in the first half of 2010-11, which was 1.8 per cent in the same period of the previous year. However, change in stock during the second quarter of 2010-11 witnessed a decline of 22.4 per cent as compared to the corresponding quarter of the previous year.

Performance over the Quarters of 2010-11

Sales of corporates, which were flat during the first two quarters of 2009-10, bounced back thereafter and registered 24.2 and 18.9 per cent growth during Q1 and Q2 of 2010-11, respectively (Table 10). Although significant sales growth was registered, companies in aggregate managed a moderate growth in net profits at 4.5 per cent in Q1 and about 11.2 per cent in Q2 of

Table 8: Staff Cost during H1: 2010-11

(Amount in ₹ Crore)									
Item	Q1: 09-10	Q1: 10-11	Per cent change (YoY)	Q2: 09-10	Q2: 10-11	Per cent change (YoY)	H1: 09-10	H1: 10-11	Per cent change (YoY)
1	2	3	4	5	6	7	8	9	10
No. of companies	2060*			2058*			2070*		
Staff cost	28,887	33,219	15.0	29,936	35,941	20.1	58,876	69,159	17.5
Expenditure	3,10,272	3,98,308	28.4	3,49,239	4,18,859	19.9	6,59,775	8,17,507	23.9
Staff cost as percentage of Expenditure	9.3	8.3		8.6	8.6		8.9	8.5	

* Number of companies reporting staff cost explicitly.

Article

Performance of Private Corporate Business
Sector during First Half of 2010-11

Table 9: Change in Stock-in-trade during H1: 2010-11

(Amount in ₹ Crore)									
Item	Q1: 09-10	Q1: 10-11	Per cent change (YoY)	Q2: 09-10	Q2: 10-11	Per cent change (YoY)	H1: 09-10	H1: 10-11	Per cent change (YoY)
1	2	3	4	5	6	7	8	9	10
No. of companies	1652*			1657*			1670*		
Stock-in-trade	3,911	12,465	218.7	7,939	6,162	-22.4	11,842	18,618	57.2
Sales	3,09,993	3,93,705	27.0	3,49,135	4,18,546	19.9	6,59,131	8,12,169	23.2
Stock-in-trade as percentage of Sales	1.3	3.2		2.3	1.5		1.8	2.3	

* Number of companies reporting stock-in-trade explicitly.

2010-11. Net profits contracted primarily due to an increase in interest payments and lower growth in increase in expenditure relative to sales, significant other income (in Q1).

Table 10: Performance of the Select Companies over the Quarters of 2010-11

	2009-10			2010-11		
	Q1	Q2	H1	Q1	Q2	H1
1	2	3	4	5	6	7
No. of companies	2148					
Year-on-year Growth rate in per cent						
Sales	-0.8	0.3	-0.2	24.2	18.9	21.4
Other Income	48.4	5.3	26.3	-20.9	59.8	12.0
Expenditure	-4.2	-2.3	-3.2	28.4	20.0	24.0
Operating Profits (PBDIT)	5.4	13.9	9.7	16.3	9.0	12.5
Depreciation	22.8	21.6	22.1	20.4	17.6	19.0
Gross Profits (PBIT)	6.0	11.2	8.6	9.8	11.7	10.8
Interest	5.9	0.2	2.7	28.0	5.9	16.1
Profit after tax (PAT)	4.7	11.8	8.1	4.5	11.2	7.8
Ratios in Per cent						
Gross profits to Sales	16.0	15.1	15.5	14.3	14.1	14.2
Profit after tax to Sales	10.6	9.6	10.1	8.9	9.0	8.9
Interest to Sales	2.7	3.0	2.8	2.9	2.7	2.8
Interest to Gross profits	16.9	19.7	18.3	20.4	18.8	19.6
Interest Coverage (Times)	5.9	5.1	5.5	4.9	5.3	5.1
Memo: (₹ Crore)						
Sales	3,75,785	4,15,017	7,90,803	4,65,589	4,93,550	9,59,139
Other Income	8,504	6,386	14,890	6,946	9,637	16,583
Expenditure	3,12,284	3,50,599	6,62,883	4,00,035	4,20,790	8,20,825
Operating Profits	66,662	72,477	1,39,140	78,026	78,915	1,56,941
Depreciation	15,218	16,019	31,237	18,621	18,921	37,542
Gross Profits	59,948	62,844	1,22,792	66,351	69,631	1,35,982
Interest	10,132	12,357	22,489	13,567	13,114	26,681
Profit after tax	39,691	39,871	79,561	41,554	44,262	85,817

Statement 1: Industry-wise Growth Rates of Select Performance Indicators, H1: 2010-11

Industry/Industry group	No. of comp anies	Sales		Per cent change (YoY)								
		Amount (₹ Crore)	Per cent share	Sales	Other income	Expen- diture	Opera- ting profits	Depr- ecia- tion	Gross profits	Inte- rest	Tax prov- ision	Profits after tax
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	23	3,224	0.3	25.0	17.9	25.1	-0.5	16.9	0.2	-26.8	-16.5	-23.5
2. Mining and quarrying	33	6,801	0.7	30.7	11.0	17.6	76.4	48.9	65.6	39.6	15.3	94.4
3. Food products and beverages												
<i>Of which</i>	131	43,723	4.6	19.0	20.6	22.1	-5.4	19.8	-8.1	21.9	1.5	-21.3
i. Sugar	24	5,525	0.6	18.3	21.9	42.7	-97.2	22.5	\$	45.9	\$	\$
ii. Edible oils	35	15,284	1.6	18.4	-9.3	19.3	13.2	25.4	9.0	19.2	-10.7	21.9
iii. Other food products & beverages	72	22,915	2.4	19.5	29.1	20.4	19.2	16.0	20.2	13.1	26.3	21.8
4. Textiles	238	47,795	5.0	28.5	10.6	29.9	33.2	13.9	40.9	12.9	60.5	112.9
5. Paper and paper products	33	5,415	0.6	23.2	1.0	25.1	12.8	19.3	9.6	7.1	10.7	22.2
6. Chemicals and chemical products												
<i>Of which</i>	313	1,04,547	10.9	19.7	-24.9	22.9	11.7	14.5	5.3	12.2	-3.8	8.4
i. Basic industrial chemicals	81	12,880	1.3	19.1	15.3	20.6	10.1	18.4	8.2	19.5	10.5	-2.8
ii. Chemical fertilisers and pesticides	34	23,925	2.5	31.2	-11.6	34.5	36.5	4.4	37.3	27.5	30.3	32.8
iii. Paints and varnishes	12	6,120	0.6	17.3	-27.1	23.7	13.0	26.6	5.5	-0.6	2.8	-2.0
iv. Pharmaceuticals and medicines	113	33,464	3.5	15.3	-38.5	18.1	8.8	14.7	-2.3	3.7	-27.2	7.0
v. Other chemical & chemical products	73	28,157	2.9	17.0	1.0	20.0	1.6	18.6	-1.0	1.2	9.1	5.8
7. Rubber and plastic products	83	17,332	1.8	24.0	0.1	31.8	7.2	15.5	5.0	20.8	1.3	1.1
8. Cement and cement products	39	28,704	3.0	-0.9	34.6	18.0	-44.4	25.0	-54.3	15.7	-55.2	-60.5
9. Iron and steel	103	72,205	7.5	17.8	77.5	21.6	29.7	15.2	36.8	2.6	44.7	51.9
10. Fabricated metal products except machinery and equipment	31	5,323	0.6	38.2	-18.7	38.2	61.5	19.8	55.8	12.2	74.8	83.2
11. Machinery and machine tools	125	31,977	3.3	25.2	11.9	27.3	19.9	5.0	22.9	10.0	38.3	28.3
12. Electrical machinery and apparatus	83	26,511	2.8	14.8	55.0	21.7	-11.4	14.8	-11.3	-4.3	-7.0	-0.6
13. Radio, television and communication equipments	34	5,953	0.6	28.6	-15.1	27.6	85.6	10.2	121.6	-22.4	40.3	\$
14. Medical precision and other scientific instruments	10	3,781	0.4	33.2	151.8	41.5	25.1	-3.8	32.6	-37.0	24.3	40.9
15. Motor vehicles and other transport equipments	79	94,116	9.8	36.9	15.8	39.7	23.5	15.6	24.5	11.8	16.9	13.4
16. Jewellery and related articles	24	3,925	0.4	9.6	75.3	6.6	21.7	-8.8	33.0	-23.8	49.4	78.2
17. Real estate	27	7,447	0.8	41.2	25.2	49.9	38.9	1.7	37.4	20.3	62.5	41.1
18. Electricity generation and supply	14	15,011	1.6	5.8	-13.3	2.0	18.7	27.3	9.8	27.3	13.0	1.5
19. Construction	77	60,614	6.3	13.6	29.4	16.9	14.6	22.2	15.0	28.3	5.5	-29.5
20. Wholesale and retail trade	93	25,124	2.6	-4.6	116.7	-3.6	7.8	17.7	37.2	-20.1	50.5	487.5
21. Hotel and restaurant	38	2,332	0.2	18.3	-40.6	17.4	22.4	13.9	1.5	17.7	-67.0	-43.2
22. Transport, storage and communication	43	53,993	5.6	12.4	-2.9	15.1	2.2	10.5	-4.5	93.8	5.2	-15.3
23. Computer and related activities	154	63,497	6.6	15.9	14.7	18.0	9.0	-3.1	11.5	14.8	29.3	5.9
24. Petroleum refinery	12	1,40,479	14.6	44.9	-3.5	38.9	36.0	54.4	23.2	12.7	25.0	29.1
All companies+	2148	9,59,139	100.0	21.4	12.0	24.0	12.5	19.0	10.8	16.1	10.3	7.8

\$ Numerator or denominator or both negative. + All companies under study.

Article

Performance of Private Corporate Business
Sector during First Half of 2010-11

Statement 2: Industry-wise Profit Allocation, Interest-linked and Profitability Ratios, H1: 2010-11

(Per cent)

Industry/Industry group	Profit allocation ratios				Interest-linked ratios				Profitability ratios			
	Tax provision to Profits before tax		Interest to Gross profits		Interest coverage (Times)		Interest to Sales		Gross profits to Sales		Profits after tax to Sales	
	H1:09 -10	H1:10 -11	H1:09 -10	H1:10 -11	H1:09 -10	H1:10 -11	H1:09 -10	H1:10 -11	H1:09 -10	H1:10 -11	H1:09 -10	H1:10 -11
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	12.1	9.5	13.1	9.6	7.6	10.5	3.3	1.9	25.3	20.3	28.8	17.7
2. Mining and quarrying	22.3	14.9	21.0	17.7	4.8	5.6	6.3	6.7	29.8	37.8	17.6	26.2
3. Food products and beverages												
<i>Of which</i>	26.1	26.6	27.0	35.8	3.7	2.8	2.8	2.9	10.4	8.1	5.8	3.8
i. Sugar	17.2	22.7	34.3	\$	2.9	-0.3	5.5	6.8	16.0	-2.1	8.4	-7.9
ii. Edible oils	25.6	21.3	18.6	20.4	5.4	4.9	0.9	0.9	4.8	4.4	2.8	2.8
iii. Other food products & beverages	27.2	28.0	26.9	25.3	3.7	4.0	3.5	3.3	12.9	12.9	7.1	7.3
4. Textiles	21.6	23.3	58.3	46.7	1.7	2.1	5.7	5.0	9.8	10.8	2.6	4.3
5. Paper and paper products	24.3	23.8	28.9	28.2	3.5	3.5	4.3	3.7	14.9	13.3	7.3	7.3
6. Chemicals and chemical products												
<i>Of which</i>	23.2	21.4	13.0	13.9	7.7	7.2	2.3	2.1	17.3	15.3	11.2	10.1
i. Basic industrial chemicals	17.4	17.8	27.8	30.7	3.6	3.3	4.3	4.3	15.3	13.9	9.4	7.6
ii. Chemical fertilisers and pesticides	31.2	30.0	20.7	19.2	4.8	5.2	2.4	2.4	11.8	12.4	7.1	7.2
iii. Paints and varnishes	29.5	28.4	1.7	1.6	57.8	61.4	0.3	0.3	17.9	16.1	13.7	11.5
iv. Pharmaceuticals and medicines	22.5	17.0	9.0	9.6	11.1	10.4	2.1	1.9	23.1	19.6	15.0	13.9
v. Other chemical & chemical products	20.9	22.5	11.9	12.2	8.4	8.2	1.8	1.6	15.3	13.0	10.0	9.0
7. Rubber and plastic products	28.7	28.5	20.9	24.1	4.8	4.2	2.9	2.8	13.6	11.5	7.5	6.1
8. Cement and cement products	27.2	30.1	8.7	21.9	11.5	4.6	2.4	2.8	27.7	12.8	18.1	7.2
9. Iron and steel	27.9	26.6	27.7	20.8	3.6	4.8	4.5	4.0	16.4	19.0	8.4	10.8
10. Fabricated metal products except machinery and equipment	30.3	30.7	40.5	29.2	2.5	3.4	5.5	4.5	13.5	15.3	5.4	7.2
11. Machinery and machine tools	27.4	29.5	21.8	19.5	4.6	5.1	2.7	2.4	12.6	12.3	6.9	7.0
12. Electrical machinery and apparatus	29.6	29.8	12.9	14.0	7.7	7.2	1.7	1.4	13.0	10.1	8.3	7.2
13. Radio, television and communication equipments	14.5	16.3	140.4	49.2	0.7	2.0	5.4	3.3	3.9	6.7	-0.6	4.0
14. Medical precision and other scientific instruments	25.5	23.1	7.5	3.6	13.3	27.9	0.7	0.3	9.8	9.7	6.8	7.2
15. Motor vehicles and other transport equipments	26.7	24.9	11.0	9.9	9.1	10.1	1.3	1.1	12.1	11.0	9.0	7.5
16. Jewellery and related articles	15.1	14.0	57.4	32.9	1.7	3.0	2.6	1.8	4.5	5.4	2.1	3.4
17. Real estate	19.9	21.9	37.3	32.7	2.7	3.1	16.2	13.8	43.4	42.2	22.2	22.2
18. Electricity generation and supply	19.2	20.7	22.2	25.7	4.5	3.9	5.0	6.0	22.4	23.3	13.6	13.1
19. Construction	34.5	32.9	31.9	35.6	3.1	2.8	4.0	4.5	12.6	12.7	9.9	6.2
20. Wholesale and retail trade	21.6	17.2	106.4	61.9	0.9	1.6	3.8	3.2	3.6	5.2	0.2	1.0
21. Hotel and restaurant	32.2	32.9	76.4	88.5	1.3	1.1	11.0	10.9	14.4	12.3	3.5	1.7
22. Transport, storage and communication	9.8	11.4	20.1	40.9	5.0	2.4	3.0	5.2	14.9	12.6	11.3	8.5
23. Computer and related activities	15.4	17.6	4.5	4.6	22.2	21.6	1.1	1.1	24.1	23.2	20.0	18.3
24. Petroleum refinery	17.1	17.1	12.8	11.7	7.8	8.5	1.6	1.2	12.1	10.3	8.1	7.3
All companies+	22.4	22.4	18.7	19.6	5.3	5.1	2.9	2.8	15.5	14.2	10.1	8.9

\$ Numerator or denominator or both negative. + All companies under study.

**Statement 3: Industry-wise Growth Rates of Select Performance Indicators over the Quarters of
H1: 2010-11**

(Per cent change (YoY))

Industry/Industry group	Number of companies	Sales			Expenditure			Gross Profits			Profits After Tax		
		Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Tea plantation	23	43.6	14.1	25.0	43.4	12.2	25.1	-13.1	5.8	0.2	-5.9	-27.2	-23.5
2. Mining and quarrying	33	40.7	18.6	30.7	25.6	9.6	17.6	78.0	46.3	65.6	107.5	69.9	94.4
3. Food products and beverages													
<i>Of which</i>	131	18.0	19.9	19.0	20.2	23.9	22.1	-3.5	-12.6	-8.1	-18.8	-24.0	-21.3
i. Sugar	24	28.8	8.6	18.3	79.5	13.8	42.7	\$	\$	\$	\$	\$	\$
ii. Edible oils	35	15.0	21.6	18.4	10.1	28.3	19.3	3.2	14.8	9.0	12.8	31.4	21.9
iii. Other food products & beverages	72	17.5	21.5	19.5	18.0	22.7	20.4	21.9	18.5	20.2	16.6	27.8	21.8
4. Textiles	238	28.1	28.9	28.5	32.6	27.6	29.9	32.7	47.8	40.9	74.0	139.1	112.9
5. Paper and paper products	33	24.5	22.0	23.2	22.7	27.5	25.1	10.6	8.6	9.6	24.2	20.6	22.2
6. Chemicals and chemical products													
<i>Of which</i>	313	14.2	24.9	19.7	21.3	24.5	22.9	-4.7	15.7	5.3	1.9	14.7	8.4
i. Basic industrial chemicals	81	19.7	18.4	19.1	23.0	18.4	20.6	10.9	5.7	8.2	9.4	-12.3	-2.8
ii. Chemical fertilisers and pesticides	34	5.1	56.4	31.2	29.2	39.3	34.5	32.5	40.9	37.3	33.1	32.6	32.8
iii. Paints and varnishes	12	26.0	9.8	17.3	25.7	22.0	23.7	11.6	-0.1	5.5	16.4	-16.5	-2.0
iv. Pharmaceuticals and medicines	113	14.5	16.0	15.3	15.0	21.0	18.1	-18.9	16.9	-2.3	-6.4	20.1	7.0
v. Other chemical & chemical products	73	15.7	18.3	17.0	20.4	19.5	20.0	-6.3	4.8	-1.0	-3.6	17.2	5.8
7. Rubber and plastic products	83	22.1	25.9	24.0	32.8	30.9	31.8	-13.4	26.3	5.0	-20.9	28.4	1.1
8. Cement and cement products	39	-1.3	-0.4	-0.9	14.9	21.1	18.0	-37.2	-74.5	-54.3	-40.1	-84.3	-60.5
9. Iron and steel	103	15.2	20.3	17.8	20.8	22.4	21.6	41.0	33.1	36.8	56.0	48.4	51.9
10. Fabricated metal products except machinery and equipment	31	37.0	39.2	38.2	38.9	37.6	38.2	49.9	61.4	55.8	76.7	89.0	83.2
11. Machinery and machine tools	125	27.0	23.5	25.2	30.9	24.0	27.3	25.3	20.7	22.9	36.0	21.9	28.3
12. Electrical machinery and apparatus	83	14.7	14.8	14.8	24.4	19.3	21.7	-11.0	-11.7	-11.3	-11.8	8.2	-0.6
13. Radio, television and communication equipments	34	29.9	27.5	28.6	25.3	29.8	27.6	\$	4.6	121.6	\$	-36.1	\$
14. Medical precision and other scientific instruments	10	35.4	31.5	33.2	52.2	33.6	41.5	19.3	43.3	32.6	39.7	41.6	40.9
15. Motor vehicles and other transport equipments	79	40.7	33.6	36.9	42.8	36.9	39.7	34.4	17.0	24.5	22.2	6.9	13.4
16. Jewellery and related articles	24	20.5	1.2	9.6	10.0	3.9	6.6	49.7	23.1	33.0	93.5	69.1	78.2
17. Real estate	27	56.8	28.0	41.2	72.6	30.9	49.9	44.1	31.3	37.4	66.0	21.2	41.1
18. Electricity generation and supply	14	8.9	2.9	5.8	5.2	-1.0	2.0	10.5	9.1	9.8	2.9	-0.1	1.5
19. Construction	77	13.0	14.1	13.6	17.8	16.2	16.9	12.5	17.5	15.0	-31.6	-26.8	-29.5
20. Wholesale and retail trade	93	-6.3	-3.0	-4.6	-5.0	-2.4	-3.6	10.6	57.0	37.2	\$	\$	\$
21. Hotel and restaurant	38	21.2	15.5	18.3	14.9	19.9	17.4	15.6	-14.3	1.5	-17.6	\$	-43.2
22. Transport, storage and communication	43	11.7	13.2	12.4	14.6	15.6	15.1	-6.6	-2.1	-4.5	-26.5	6.2	-15.3
23. Computer and related activities	154	13.2	18.4	15.9	15.5	20.3	18.0	7.5	15.4	11.5	1.8	9.8	5.9
24. Petroleum refinery	12	79.9	21.1	44.9	76.4	13.9	38.9	19.0	27.5	23.2	24.2	34.2	29.1
All companies+	2148	24.2	18.9	21.4	28.4	20.0	24.0	9.8	11.7	10.8	4.5	11.2	7.8

\$ Numerator or denominator or both negative. + All companies under study.

Article

Performance of Private Corporate Business
Sector during First Half of 2010-11

Statement 4: Industry-wise Interest-linked Ratios Over the Quarters of H1: 2010-11

(Per cent)

Industry/Industry group	Interest to Gross profits						Interest to Sales					
	Q1		Q2		H1		Q1		Q2		H1	
	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	20.5	16.8	9.9	7.1	13.1	9.6	4.2	2.1	2.8	1.8	3.3	1.9
2. Mining and quarrying	17.8	11.7	26.1	29.2	21.0	17.7	5.9	4.9	6.7	9.3	6.3	6.7
3. Food products and beverages												
<i>Of which</i>	27.2	34.0	26.8	37.7	27.0	35.8	2.8	2.9	2.8	2.9	2.8	2.9
i. Sugar	38.2	\$	31.1	\$	34.3	\$	5.8	6.3	5.2	7.3	5.5	6.8
ii. Edible oils	20.2	16.9	17.1	23.5	18.6	20.4	1.0	0.7	0.8	1.0	0.9	0.9
iii. Other food products & beverages	26.0	25.4	27.8	25.1	26.9	25.3	3.4	3.4	3.5	3.1	3.5	3.3
4. Textiles	63.9	54.4	53.6	41.0	58.3	46.7	6.0	5.3	5.4	4.8	5.7	5.0
5. Paper and paper products	30.7	27.5	27.2	28.9	28.9	28.2	4.5	3.5	4.2	3.9	4.3	3.7
6. Chemicals and chemical products												
<i>Of which</i>	12.3	16.8	13.8	11.4	13.0	13.9	2.2	2.5	2.3	1.8	2.3	2.1
i. Basic industrial chemicals	27.5	30.3	28.1	31.1	27.8	30.7	4.2	4.3	4.3	4.2	4.3	4.3
ii. Chemical fertilisers and pesticides	20.3	24.2	21.0	15.7	20.7	19.2	2.1	3.1	2.8	1.9	2.4	2.4
iii. Paints and varnishes	1.8	1.3	1.7	1.9	1.7	1.6	0.3	0.2	0.3	0.3	0.3	0.3
iv. Pharmaceuticals and medicines	8.5	15.3	9.6	5.0	9.0	9.6	2.2	2.8	2.0	1.1	2.1	1.9
v. Other chemical & chemical products	11.5	11.7	12.5	12.7	11.9	12.2	1.8	1.5	1.8	1.6	1.8	1.6
7. Rubber and plastic products	20.4	26.0	21.5	22.6	20.9	24.1	3.0	2.7	2.7	2.9	2.9	2.8
8. Cement and cement products	8.0	15.2	9.5	41.8	8.7	21.9	2.3	2.8	2.5	2.8	2.4	2.8
9. Iron and steel	28.3	21.1	27.2	20.5	27.7	20.8	4.5	4.1	4.6	3.8	4.5	4.0
10. Fabricated metal products except machinery and equipment	40.5	30.8	40.5	27.7	40.5	29.2	5.7	4.7	5.3	4.2	5.5	4.5
11. Machinery and machine tools	23.5	20.1	20.3	19.0	21.8	19.5	2.9	2.4	2.6	2.4	2.7	2.4
12. Electrical machinery and apparatus	13.7	13.7	12.2	14.1	12.9	14.0	1.8	1.4	1.6	1.4	1.7	1.4
13. Radio, television and communication equipments	\$	56.7	56.9	42.6	140.4	49.2	6.3	3.7	4.7	2.9	5.4	3.3
14. Medical precision and other scientific instruments	9.5	4.4	6.0	3.1	7.5	3.6	0.9	0.4	0.6	0.3	0.7	0.3
15. Motor vehicles and other transport equipments	12.6	10.5	9.8	9.3	11.0	9.9	1.4	1.1	1.3	1.1	1.3	1.1
16. Jewellery and related articles	78.6	39.4	44.8	28.2	57.4	32.9	3.0	1.9	2.2	1.7	2.6	1.8
17. Real estate	42.3	31.0	32.8	34.4	37.3	32.7	19.2	12.9	13.7	14.7	16.2	13.8
18. Electricity generation and supply	21.9	23.7	22.4	27.8	22.2	25.7	5.1	5.6	4.9	6.4	5.0	6.0
19. Construction	31.3	35.5	32.6	35.7	31.9	35.6	4.0	4.5	4.1	4.6	4.0	4.5
20. Wholesale and retail trade	134.0	94.2	85.9	45.0	106.4	61.9	4.4	3.6	3.3	2.8	3.8	3.2
21. Hotel and restaurant	71.7	69.3	81.5	117.4	76.4	88.5	11.1	10.2	10.9	11.6	11.0	10.9
22. Transport, storage and communication	-2.6	46.4	45.7	35.0	20.1	40.9	-0.4	6.1	6.5	4.3	3.0	5.2
23. Computer and related activities	3.8	5.1	5.2	4.2	4.5	4.6	0.9	1.2	1.2	1.0	1.1	1.1
24. Petroleum refinery	12.6	11.9	13.1	11.5	12.8	11.7	1.9	1.2	1.3	1.2	1.6	1.2
All companies+	17.5	20.4	19.9	18.8	18.7	19.6	2.8	2.9	3.0	2.7	2.9	2.8

\$ Numerator or denominator or both negative.

+ All companies under study.

Statement 4: Industry-wise Profitability Ratios over the Quarters of H1: 2009-10

(Per cent)

Industry/Industry group	Gross profits to Sales						Profits after tax to Sales					
	Q1		Q2		H1		Q1		Q2		H1	
	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	20.3	12.3	28.3	26.2	25.3	20.3	13.6	8.9	37.8	24.1	28.8	17.7
2. Mining and quarrying	33.2	42.0	25.8	31.9	29.8	37.8	21.0	30.9	13.5	19.3	17.6	26.2
3. Food products and beverages												
Of which	10.5	8.6	10.4	7.6	10.4	8.1	6.0	4.1	5.6	3.5	5.8	3.8
i. Sugar	15.1	-0.3	16.8	-4.1	16.0	-2.1	7.5	-6.2	9.3	-9.7	8.4	-7.9
ii. Edible oils	4.9	4.4	4.7	4.4	4.8	4.4	2.9	2.9	2.6	2.8	2.8	2.8
iii. Other food products & beverages	13.0	13.5	12.7	12.4	12.9	12.9	7.6	7.5	6.6	7.0	7.1	7.3
4. Textiles	9.4	9.8	10.2	11.6	9.8	10.8	2.2	3.0	3.0	5.5	2.6	4.3
5. Paper and paper products	14.5	12.9	15.3	13.7	14.9	13.3	6.9	6.9	7.8	7.7	7.3	7.3
6. Chemicals and chemical products												
Of which	18.0	15.1	16.7	15.4	17.3	15.3	11.2	10.0	11.2	10.2	11.2	10.1
i. Basic industrial chemicals	15.3	14.2	15.2	13.6	15.3	13.9	8.4	7.7	10.3	7.6	9.4	7.6
ii. Chemical fertilisers and pesticides	10.2	12.9	13.4	12.0	11.8	12.4	6.2	7.9	7.9	6.7	7.1	7.2
iii. Paints and varnishes	18.5	16.3	17.5	15.9	17.9	16.1	13.0	12.0	14.4	10.9	13.7	11.5
iv. Pharmaceuticals and medicines	25.9	18.3	20.7	20.8	23.1	19.6	15.6	12.7	14.5	15.0	15.0	13.9
v. Other chemical & chemical products	16.0	13.0	14.6	13.0	15.3	13.0	10.9	9.1	9.1	9.0	10.0	9.0
7. Rubber and plastic products	14.6	10.4	12.6	12.7	13.6	11.5	8.3	5.4	6.7	6.8	7.5	6.1
8. Cement and cement products	28.7	18.3	26.5	6.8	27.7	12.8	18.7	11.4	17.4	2.7	18.1	7.2
9. Iron and steel	15.9	19.5	16.8	18.6	16.4	19.0	7.9	10.7	8.8	10.9	8.4	10.8
10. Fabricated metal products except machinery and equipment	14.0	15.3	13.1	15.2	13.5	15.3	5.4	6.9	5.5	7.5	5.4	7.2
11. Machinery and machine tools	12.4	12.2	12.7	12.5	12.6	12.3	6.5	7.0	7.2	7.1	6.9	7.0
12. Electrical machinery and apparatus	12.8	9.9	13.3	10.2	13.0	10.1	7.6	5.8	9.0	8.4	8.3	7.2
13. Radio, television and communication equipments	-1.1	6.6	8.2	6.7	3.9	6.7	-7.7	5.4	5.6	2.8	-0.6	4.0
14. Medical precision and other scientific instruments	9.6	8.5	9.9	10.8	9.8	9.7	6.2	6.4	7.3	7.9	6.8	7.2
15. Motor vehicles and other transport equipments	11.2	10.7	13.0	11.4	12.1	11.0	8.2	7.1	9.7	7.8	9.0	7.5
16. Jewellery and related articles	3.8	4.8	5.0	6.0	4.5	5.4	1.8	2.9	2.3	3.9	2.1	3.4
17. Real estate	45.4	41.7	41.7	42.8	43.4	42.2	21.4	22.7	22.8	21.6	22.2	22.2
18. Electricity generation and supply	23.3	23.6	21.6	22.9	22.4	23.3	14.3	13.5	13.1	12.7	13.6	13.1
19. Construction	12.7	12.7	12.4	12.8	12.6	12.7	11.2	6.8	8.6	5.5	9.9	6.2
20. Wholesale and retail trade	3.3	3.9	3.9	6.3	3.6	5.2	0.0	-0.7	0.3	2.5	0.2	1.0
21. Hotel and restaurant	15.5	14.8	13.4	9.9	14.4	12.3	5.4	3.7	1.7	-0.3	3.5	1.7
22. Transport, storage and communication	15.6	13.1	14.1	12.2	14.9	12.6	14.7	9.7	7.8	7.3	11.3	8.5
23. Computer and related activities	24.5	23.2	23.8	23.2	24.1	23.2	20.2	18.1	19.8	18.4	20.0	18.3
24. Petroleum refinery	15.2	10.1	10.0	10.6	12.1	10.3	10.2	7.1	6.7	7.5	8.1	7.3
All companies+	16.1	14.3	15.0	14.1	15.5	14.2	10.6	8.9	9.6	9.0	10.1	8.9

\$ Numerator or denominator or both negative. + All companies under study.

