

## *Performance of Private Corporate Business Sector, 2007-08\**

*This article reviews the quarterly and annual performance of the private corporate business sector during 2007-08, based on abridged financial results of non-government public limited companies. The 26.2 per cent growth in net profits of non-government non-financial public limited companies in 2007-08 though moderated has primarily been driven at the back of the robust 18.3 per cent growth in sales. This is despite high growth in their interest payments and tax provisions. Profitability in terms of gross and net profit margin recorded improvement across almost all the paid-up capital and sales classes. Interest burden varied considerably across the industries but was lighter than the previous year for most of the industries. The growth in sales which started decelerating since the last quarter of 2006-07 got arrested in Q3:2007-08. The decline mainly reflected high base effect in conjunction with some moderation in consumer demand. The 356 non-government financial public limited companies recorded improvement in their income from operations and profits after tax during 2007-08.*

The article assesses the performance of the private corporate business sector during April 2007-March 2008 (2007-08) based on abridged financial results submitted by the listed companies to the Stock Exchanges. Such analysis on the performance can at best be taken as indicative as it is based on a few reported items which are provisional in nature.

The article analyses the performance of the private corporate business sector for the year 2007-08 based on data relating to 2359 non-government non-financial

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public limited companies and provides, *inter alia*, a brief analysis by size and industry. Second, a review of performance of private corporate sector over the quarters of 2007-08 has been presented based on abridged financial results of 2342, 2228, 2329 and 2357 companies in first (Q1), second (Q2), third (Q3) and fourth (Q4) quarters of 2007-08, respectively. Third, it also briefly touches upon the performance of 356 non-government financial listed public limited companies during 2007-08.

### *Performance of Non-Financial Non-Government Companies Overall Performance, 2007-08*

The 26.2 per cent growth in aggregate net profits of 2359 non-government non-financial public limited companies in 2007-08 though moderated has primarily been driven at the back of the robust 18.3 per cent growth in sales (Table 1). This is despite noticeable increases in depreciation provision (14.8 per cent), interest payments (28.8 per cent) and tax provision (24.1 per cent). The marked growth in 'other income' has contributed

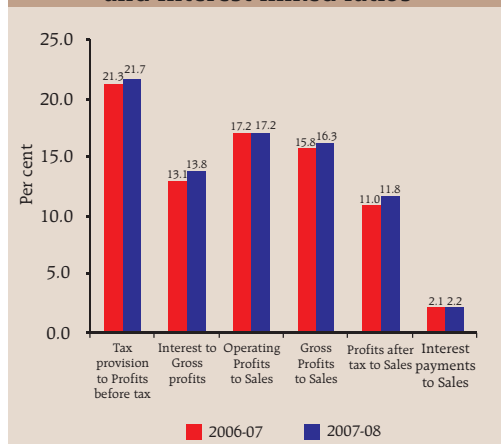
substantially to net profits growth. Interest burden (interest to gross profits) increased to 13.8 per cent from 13.1 per cent in the previous year at the back of faster increase in interest payments compared to gross profits (Chart 1). Measured as a share of sales, a larger gap between operating and net income was observed primarily on account of the continued increase in interest expenses that could have resulted from both an accumulation of debt and higher interest rates. The profitability measured in terms of the ratio of net profits to sales improved by 80 basis points over 11.0 per cent recorded in 2006-07. Of the select 2359 companies, the number of companies recording net profits was lower at 1892 (80.2 per cent of all the companies) in 2007-08 as compared with 1923 (81.5 per cent) in 2006-07. While net profits for 616 companies (26.1 per cent of all the select companies) grew by over 50 per cent, it was between 30-50 per cent for 205 companies (8.7 per cent) and between 10-30 per cent for 224 companies (9.5 per cent).

**Table 1: Performance of 2359 Non-Government Non-Financial Companies, 2007-08**

Item	2006-07 (Rs. crore)	2007-08 (Rs. crore)	Per cent change
1	2	3	4
Sales	10,41,894	11,41,711	18.3
Other income	29,385	30,958	46.2
Expenditure	8,72,168	9,56,930	18.4
Operating Profits #	1,78,956	1,96,340	9.7
Depreciation	37,095	40,664	14.8
Gross profits	1,62,017	1,86,665	22.8
Interest	21,500	25,677	28.8
Profits before tax	1,40,517	1,60,988	21.9
Tax provision	29,410	34,891	24.1
Profits after tax	1,11,107	1,34,291	26.2
Paid-up capital	55,755	56,872	7.6

# : Operating profits = Sales + Change in stock-in-trade-Expenditure.

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



### Performance according to Size of Paid-up capital

The size-wise analysis for the year 2007-08, with paid-up-capital (PUC) as size variable, is presented in Table 2. The 1,322 select companies each with paid-up capital (PUC) below Rs 10 crore represented 56 per cent in total companies covered but accounted for a share of only 11.5 per cent in terms of paid-up capital. On the other hand, the top PUC class comprising 407 companies each with PUC of 'Rs. 25 crore and above' represented only 17 per cent

in terms of number but had a predominant 71.9 per cent in terms of PUC. Sales of this class grew by 18.1 per cent and their net profits grew by 26.4 per cent, mainly supported by the 47.6 per cent growth in 'other income'. Similarly, with a good support from the income coming from non-core activities, the small PUC sized companies in Rs.5-10 crore group could also register decent growth in sales (20.1 per cent) and net profits (46.3 per cent). On the other hand, the companies belonging to PUC class of Rs 15-25 crore registering collectively high growth in depreciation provision, interest payments and tax provision managed 16 per cent growth in net profits.

Interest as a ratio of gross profits increased for almost all PUC size classes except for Rs 5-10 crore PUC class (Table 3). While it increased by 0.4 percentage points for the top size class to 11.6 per cent, the increase was upto 3.7 percentage points to 35.1 per cent for the lowest PUC size class. However, profitability in terms of net profit margin improved across size classes save the Rs.15-25 crore PUC class where it actually fell by 40 basis points. The top size class reported the highest net margin at 13.4 per cent.

Table 2: Performance of the Select Companies according to the Size of Paid-up capital, 2007-08

PUC Size class (Rs. crore)	No. of companies	Paid-up capital		Per cent change (Y-O-Y)								
		Amount outstanding (Rs.crore)	Per cent share	Sales	Other income	Expenditure	Depreciation	Gross profits	Interest	Profits before tax	Tax provision	Profits after tax
1	2	3	4	5	6	7	8	9	10	11	12	13
Below 5	668	2045	3.6	12.6	4.5	11.5	7.8	13.7	27.3	7.5	14.6	26.8
5 – 10	654	4520	7.9	20.1	114.8	19.1	12.0	47.8	30.5	54.0	53.2	46.3
10 – 15	365	4360	7.7	17.8	16.4	17.3	17.5	28.6	37.9	26.3	21.5	25.0
15 – 25	265	5068	8.9	21.1	26.6	21.4	26.9	30.7	41.7	27.9	29.5	16.1
25 and above	407	40,879	71.9	18.1	47.6	18.4	13.8	20.7	25.6	20.1	22.6	26.4
<b>All Companies</b>	<b>2359</b>	<b>56,872</b>	<b>100.0</b>	<b>18.3</b>	<b>46.2</b>	<b>18.4</b>	<b>14.8</b>	<b>22.8</b>	<b>28.8</b>	<b>21.9</b>	<b>24.1</b>	<b>26.2</b>

**Table 3: Profit Allocation, Interest-linked and Profitability Ratios according to the Size of Paid-up capital, 2007-08**

(Per cent)												
PUC Size class (Rs. 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	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11	12	13
Below 5	30.5	32.5	31.4	35.1	3.2	2.8	2.2	2.5	6.9	7.0	3.7	4.2
5 - 10	26.2	26.0	26.2	23.1	3.8	4.3	2.4	2.6	9.3	11.4	5.5	6.7
10 - 15	23.8	22.9	20.3	21.8	4.9	4.6	2.4	2.8	11.7	12.8	7.3	7.7
15 - 25	21.9	22.2	19.9	21.6	5.0	4.6	2.4	2.8	12.0	13.0	8.5	8.1
25 and above	20.8	21.2	11.2	11.6	9.0	8.6	2.0	2.1	17.6	17.9	12.5	13.4
<b>All companies</b>	21.3	21.7	13.1	13.8	7.6	7.3	2.1	2.2	15.8	16.3	11.0	11.8

### *Performance according to Size of Sales, 2007-08*

The classes based on sales revealed the size influence on growth - larger the size, higher the growth. Almost a quarter of companies covered having sales between Rs.25-100 crore accounting for less than 3.0 percent share in aggregate sales showed decline in net profits at the back of moderate sales growth. The classes comprising companies with annual sales of above Rs.500 crore representing around 84 per cent of total sales covered, performed well with decent increases in sales and profits. Companies in the sales class of Rs.500 crore to Rs.1000 crore

recorded a growth of 21.2 per cent in sales but due to high growth in interest payments (42.1 per cent), tax provision (39.7 per cent) and depreciation provision (19.1 per cent), these companies' net profits could grow by 23.8 per cent (Table 4). High depreciation provision and high interest outgo could be indicating to high capacity enhancement by companies in this class. On the other hand, despite expenditure rising at faster rate of 20.8 per cent relative to sales, companies in the top sales class of above Rs.1000 crore could post good growth in gross profits (23.0 per cent) and net profits (30.2 per cent).

Increase in interest as a ratio of gross profits, for the groups of companies with

**Table 4: Performance of Select Companies according to the Size of Sales, 2007-08**

Sales Size Class (Rs. in crore)	No. of comp- anies	Per cent change (y-o-y)										
		Sales (Rs.crore)	Per cent share in Sales	Sales	Other income	Expen- diture	Depre- ciation provision	Gross profits	Interest	Profits before tax	Tax provision	Profits after tax
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than Rs. 25	797	6538	0.6	-3.0	-4.7	-3.3	0.1	20.9	-8.0	178.1	24.7	51.7
25 - 50	284	10308	0.9	8.9	45.7	12.0	10.4	-3.5	31.0	-34.4	9.8	-69.7
50-100	290	21110	1.8	10.5	13.6	7.0	7.8	21.3	14.0	25.8	-27.8	-28.7
100-500	621	144173	12.6	8.0	36.3	8.4	9.2	13.9	23.1	10.8	13.6	6.7
500-1000	168	121489	10.6	21.2	74.2	21.3	19.1	33.7	42.1	31.6	39.7	23.8
1000 and above	199	838092	73.4	20.5	50.0	20.8	15.7	23.0	29.9	22.2	25.4	30.2
<b>All companies</b>	2359	1141711	100.0	18.3	46.2	18.4	14.8	22.8	28.8	21.9	24.1	26.2

**Table 5: Profit allocation, Interest-linked and Profitability Ratios according to Size of Sales, 2007-08**

(Per cent)												
Sales Size Class (Rs. 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	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 25	161.7	72.5	84.5	64.3	1.2	1.6	5.1	4.8	6.0	7.5	3.1	4.9
25 - 50	32.6	54.5	47.2	64.1	2.1	1.6	3.9	4.7	8.2	7.3	3.9	1.1
50-100	46.5	26.7	38.0	35.7	2.6	2.8	4.2	4.3	11.0	12.1	9.9	6.4
100-500	23.7	24.3	25.8	27.9	3.9	3.6	3.0	3.5	11.8	12.5	7.2	7.1
500-1000	22.3	23.6	20.3	21.5	4.9	4.6	2.5	2.9	12.3	13.6	8.2	8.4
1000 and above	20.5	21.0	9.8	10.4	10.2	9.6	1.7	1.8	17.3	17.7	12.4	13.4
<b>All companies</b>	21.3	21.7	13.1	13.8	7.6	7.3	2.1	2.2	15.8	16.3	11.0	11.8

sales size more than 100 crore varied between 60 basis points to 210 basis points (Table 5). Net profit margin expanded for top two sales classes by 20 and 100 basis points.

### *Industry-wise Performance during 2007-08*

Performance of the private corporate sector across various industries<sup>1</sup> showed wide variations in terms of revenue growth; however, inability to completely pass on the increase in costs on account of raw materials, fuel, transportation *etc.*, along with higher interest costs have put pressure on margins of some of the industrial sectors. For most of the companies margins have slipped. Performance of companies in services sector (other than computer and related services (IT)) was better than that of manufacturing and IT sectors.

Detail industry-wise analysis is presented in Statement 1 and 2.

<sup>1</sup> For the companies where the information on major industrial activity was not available in the abridged financial results, information was compiled from other sources such as previous annual reports, stock exchanges and capital market newsletters, etc.

Performance of Mining and Quarrying industry was impressive. Post tax profits more than doubled at the back of robust growth in turnover at 45.6 per cent. Net margin of these companies expanded to 23.0 per cent from 15.8 per cent in previous year. Sugar industry incurred heavy losses mainly due to lower sales realization (decline by 2.9 per cent) coupled with high rise in interest outgo (49.7 per cent) resulting in steep decline by 72.1 per cent in gross profits when compared over 2006-07.

Gross profits of Textile sector companies dipped by 6.7 per cent due to higher rise in expenditure compared to sales, mainly on account of higher input prices. A steep hike of 30.3 per cent in interest payments negatively impacted net profits which declined by 35.2 per cent offsetting a benefit from lower tax provisioning and steep rise in 'other income'. Fertilizers companies posted sales growth of 20.7 per cent with expenditure growth under check (19.4 per cent). These companies could post 43.1 per

cent growth in post-tax profits with the support from 15.4 per cent growth in 'other income'. Pharmaceutical and Medicines companies witnessed higher growth in expenditure (18.7 per cent) relative to sales (17.2 per cent). Despite steep growth in 'other income', these companies witnessed a very moderate growth in net profits (13.9 per cent). For Iron & Steel companies, sales growth at 20.4 per cent was outpaced by growth in expenditure (22.9 per cent). However, with support from 'other income' (57.1 per cent), net profits of these companies were substantial at 28.3 per cent.

Steep rise in coal prices has adversely influenced profitability of Cement as well as Metal industry. During the year Cement companies' sales were up by 20.2 per cent and 'other income' more than doubled. Impact of rising input costs - especially coal and freight expenses, was reflected in expenditure cost which was higher by 140 basis points compared to revenues. Consequently post tax profit growth was moderate at 18.3 per cent compared to the earlier phase of high profits. Sales and depreciation growth of 22.5 per cent and 22.2 per cent for companies in Machinery and Machine Tools industry reflected sustained demand for capital goods in 2007-08. Despite a steep hike in interest payments (30.3 per cent), net margin was maintained at the year ago level. Transport Equipment sector was adversely affected firstly on account of higher input costs and secondly due to waning demand in response to higher interest costs. These companies in aggregate could barely post 1.8 per cent growth in post tax profits.

Possibly at the back of robust order book, Construction companies managed 47.9 per cent increase in their net profits despite high increases in interest payments and depreciation provision. Higher interest costs have not started impacting the net margin that in fact expanded by 60 basis points. Transport, Storage and Communications industry recorded 29.4 per cent growth in revenue while net profits jumped by 47.8 per cent. Both, gross as well as net margins improved by 100 and 200 basis points respectively. For companies in Computer and related activities, sales grew by 24.0 per cent, which was lower than growth in expenditure (26.3 per cent). Notwithstanding a heavy support from 'other income', net profits of these companies collectively were up by only 17.9 per cent. Rupee appreciation over the year also impacted net profit margin which declined by 110 basis points. Hotel & Restaurant industry recorded sales growth of 19.9 per cent and their net profits were up by 20.3 per cent at the back of 60.9 per cent growth in 'other income'.

### *Major Components of Expenditure, 2007-08*

An attempt is made here to analyze the trends in major components of expenditure viz., consumption of raw materials, staff cost and change in stock-in-trade<sup>2</sup>.

<sup>2</sup> The information in Tables 6, 7 and 8 is based on those companies which reported the respective component of expenditure.

**Table 6: Consumption of Raw Materials, 2007-08**

(Amount in Rs. crore)										
Item	Q1		Q2		Q3		Q4		Year	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11
No. of companies	1826		1713		1789		1781		1782	
Consumption of raw materials	1,17,342	1,38,758 (18.3)	1,21,087	1,33,918 (10.6)	1,20,313	1,38,235 (14.9)	1,31,315	1,61,247 (22.8)	4,32,428	5,13,164 (18.7)
Expenditure	1,72,080	2,03,019 (18.0)	1,86,925	2,14,515 (14.8)	1,87,217	2,21,007 (18.0)	2,08,937	2,58,827 (23.9)	6,84,158	8,10,520 (18.4)
CRM as percentage of expenditure	68.2	68.4	64.8	62.4	64.2	62.5	62.8	62.3	63.2	63.3

**Note:** Figures in brackets denote percent change over the corresponding period of the previous year.

#### *Consumption of Raw Materials, 2007-08*

Consumption of raw materials (CRM) of 1782 reporting companies increased at almost same rate as that of their expenditure (Table 6). As a result, the share of consumption of raw materials in expenditure in 2007-08 increased just marginally to 63.3 per cent from 63.2 per cent observed in 2006-07. Over the quarters of 2007-08, the share declined from 68.4 per cent in Q1 to 62.3 per cent in Q4. Also, except Q1, all other quarters of 2007-08 witnessed a lower share of CRM

in expenditure as compared to the same observed in respective quarters of 2006-07. The consumption of raw material rose by 22.8 per cent in fourth quarter of 2007-08 as compared to around 15.0 per cent average increase observed in first three quarters.

#### *Staff Cost in 2007-08*

During 2007-08, 2164 reporting companies recorded a rise of 19.6 per cent in their staff cost, while expenditure grew by a lower rate of 18.2 per cent (Table 7). The share of staff cost in total expenditure,

**Table 7: Staff Cost, 2007-08**

(Amount in Rs. crore)										
Item	Q1		Q2		Q3		Q4		Year	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11
No. of companies	2122		2017		2126		2144		2164	
Staff cost	17,665	21,607 (22.3)	19,084	22,923 (20.1)	19,261	22,949 (19.1)	21,379	25,592 (19.7)	72,638	86,879 (19.6)
Expenditure	1,93,652	2,30,954 (19.3)	2,11,943	2,44,780 (15.5)	2,14,195	2,55,176 (19.1)	2,42,913	2,99,184 (23.1)	7,98,629	9,44,027 (18.2)
Staff cost as percentage of Expenditure	9.1	9.4	9.0	9.4	9.0	9.0	8.8	8.5	9.1	9.2

**Note:** Figures in brackets denote percent change over the corresponding period of the previous year.

**Table 8: Change in Stock-in-trade, 2007-08**

(Amount in Rs. crore)										
Item	Q1		Q2		Q3		Q4		Year	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11
No. of companies	1755		1675		1727		1771		1770	
Stock-in-trade	5,427	4,683 (-15.9)	2,962	2,916 (-1.6)	2,145	2,703 (26.0)	1,418	5,505 (288.2)	9,230	11,559 (25.2)
Sales	2,03,156	2,39,240 (17.8)	2,22,246	2,55,108 (14.8)	2,22,474	2,60,682 (17.1)	2,48,466	3,00,248 (20.8)	8,19,457	9,65,642 (17.8)
Stock-in-trade as percentage of sales	2.7	2.0	1.6	1.4	0.9	1.0	0.6	1.8	1.1	1.2

**Note:** Figures in brackets denote per cent change over the corresponding period of the previous year.

however, remained almost unchanged (9.2 per cent in 2007-08 as compared to 9.1 per cent in 2006-07). Over the quarters of 2007-08, the share declined from 9.4 per cent in the first quarter to 8.5 per cent in the fourth quarter.

#### *Change in Stock-in-trade in 2007-08*

The 1770 companies, which reported change in stock-in-trade in 2007-08, showed an accumulation of stocks of tradable goods (Rs.11,559 crore) of the order of 1.2 per cent of sales in 2007-08 as compared with 1.1 per cent in the previous year (Table 8). Change in stock-in-trade as percentage of sales declined from 2.0 per cent in first quarter to 1.8 per cent in fourth quarter of 2007-08. The companies in aggregate observed almost four times jump in stock in trade in the fourth quarter of 2007-08 as compared to respective value in Q4:2006-07.

#### *Performance over the Quarters of 2007-08*

The performance of private corporate business sector in terms of sales and net profits, though decelerating, was robust over the quarters of 2007-08. The growth in sales which started decelerating since the last quarter of 2006-07 got arrested in Q3:2007-08. Besides high base effect, the high increases in financing costs witnessed particularly during last two quarters of 2007-08 in juxtaposition with other factors such as rising input and staff costs have somewhat offset the gains from additional other income and resulted in lower profits growth. The post tax profits after registering 33.9 per cent in Q1:2007-08 slid to 14.1 per cent in Q4:2007-08 (Table 9, Chart 2).

Operating profit growth across the quarters in 2007-08 slowed down to below 20 per cent as against more than 30 per cent growth observed at the back of



**Table 9: Performance of the Select Companies over the Quarters of 2007-08**

	2006-07				2007-08			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9
<b>Year-on-year Growth rate in Per cent:</b>								
Sales	25.6	29.2	30.3	22.5	19.2	16.0	18.0	20.6
Other Income	21.6	15.5	9.2	0.4	106.7	45.2	70.2	28.5
Expenditure	24.0	27.7	25.7	20.0	18.0	15.3	18.9	23.3
Operating Profits	29.7	43.1	50.0	39.7	20.5	18.1	13.9	14.6
Depreciation	14.9	16.4	16.8	18.1	18.1	15.8	17.9	15.4
Gross Profits	32.7	46.0	52.9	35.5	31.9	22.5	20.4	16.8
Interest payments	19.9	18.0	11.9	32.3	4.4	18.4	45.7	35.8
Profits after tax	34.7	49.4	59.5	39.6	33.9	22.7	29.4	14.1
<b>Ratios in Per cent:</b>								
Gross profits to sales	15.2	15.6	15.8	15.4	16.7	16.3	16.2	15.0
Profits after tax to sales	10.6	11.0	11.0	10.6	11.6	11.5	12.2	10.3
Interest to Sales	2.2	2.0	2.0	2.0	2.0	2.1	2.5	2.2
Interest to gross profits	14.2	13.1	12.6	12.9	11.8	12.8	15.3	14.6
Interest coverage(Times)	7.0	7.6	7.9	7.7	8.5	7.8	6.5	6.8
<b>Memo:</b>								
No. of companies	2228	2263	2258	2356	2342	2228	2329	2357
Sales	2,34,610	2,51,125	2,60,064	2,94,223	2,80,814	2,97,110	3,06,238	3,50,917
Other Income	4,304	5,282	4,927	8,466	9,151	8,057	9,221	10,082
Expenditure	2,00,120	2,11,043	2,17,472	2,49,133	2,37,698	2,49,194	2,57,472	3,02,105
Operating Profits	39,906	42,664	45,241	47,297	47,802	50,816	51,457	54,306
Depreciation	8,449	8,892	9,172	10,338	10,173	10,576	10,961	11,805
Gross Profits	35,761	39,055	40,995	45,424	46,780	48,296	49,717	52,583
Interest	5,083	5,121	5,162	5,862	5,504	6,194	7,609	7,703
Profits after tax	24,845	27,710	28,698	31,251	32,699	34,266	37,470	36,109

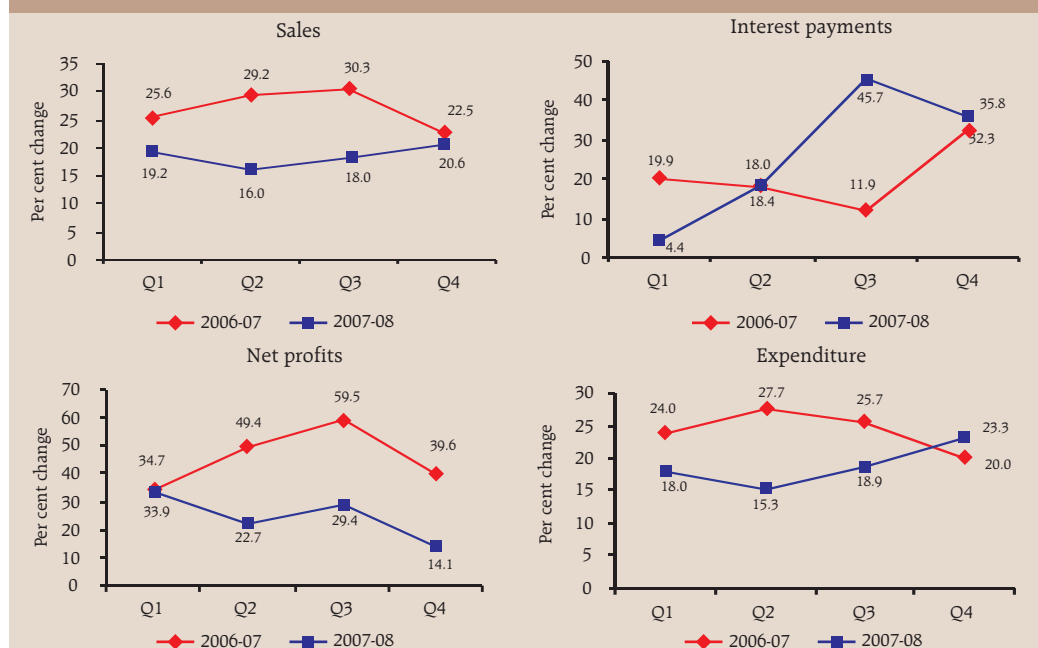
considerable cost cutting initiatives that took place in 2006-07. Interest to gross profits ratio in last two quarters of 2007-08 has started climbing up in comparison to a year ago levels resulting in some margin contraction in the last quarter.

#### *Industry-wise Performance over the Quarters of 2007-08*

The companies belonging to Mining and Quarrying industry recorded impressive sales growth from the second quarter onwards (42.1 per cent in Q2, 59.9

per cent in Q3 and 61.6 per cent in Q4:2007-08, respectively) that translated into more than 100 per cent growth in net profits (Statement 3 and 4). These companies recorded significant improvement in their net profit margin over the same quarters of the previous year. For Textile industry, sales grew by 12.9 per cent in the first quarter but dipped to 12.3 per cent in Q2 and picked up in the third and fourth quarter (Chart 3). This industry recorded negative growth in net profits in the last three quarters of 2007-

Chart 2: Performance Indicators over the Quarters of 2007-08



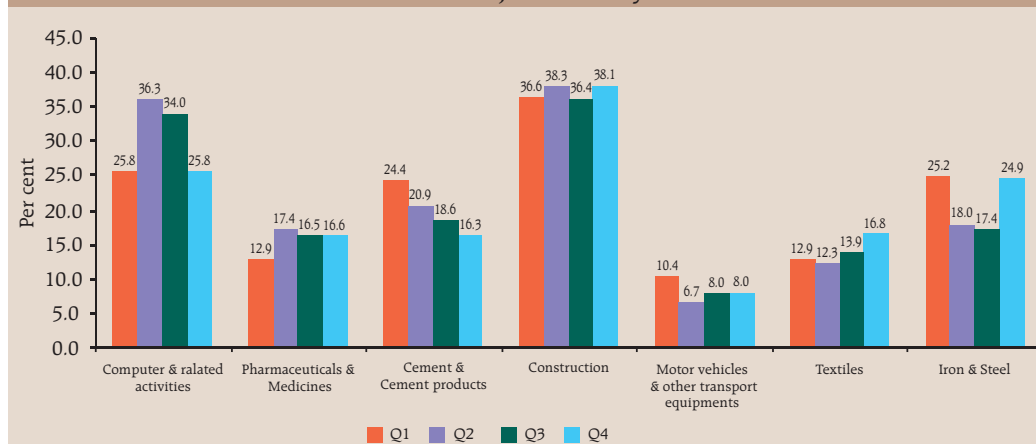
08 (Chart4) mainly because of faster growth in expenditure compared to sales. Gross margin for this industry slipped from 9.7 per cent in Q1 to 7.0 per cent in Q4 (Statement 5, Chart 5).

Fertilizer companies posted marginal increase in sales (2.0 per cent) in Q2 against a dip in sales in Q1 but recovered by the third quarter of 2007-08 (16.1 per cent in Q3 and 27.4 per cent in Q4:2007-08). For Pharmaceutical companies sales growth varied between 12.9 per cent and 17.4 per cent over the quarters, however, net profit growth slipped from 32.4 per cent in Q1 to -16.8 per cent in Q4. For Cement industry, sales as well as net profit

growth over the quarters decelerated from 24.4 per cent and 49.1 per cent in Q1 to 16.3 per cent and (-) 9.6 per cent, respectively in Q4 of 2007-08.

Iron and Steel companies' growth in post tax profits receded steeply to 10.7 per cent in Q3 from 84.7 per cent observed in Q1:2007-08. For Machinery & Machine Tools industry, sales growth that was 26.4 in Q1 decelerated to 16.0 per cent by the fourth quarter. In case of Motor vehicles and Other Transport Equipments industry, the slowdown in consumer demand was well reflected through deceleration in sales growth witnessed in Q2 (6.7 per cent) but

Chart 3: Percentage change in Sales Over the Quarters of 2007-08 -Major Industry-wise



improved by the fourth quarter. These companies posted nominal growth in post tax profits in the first three quarters but registered a decline in the fourth quarter (-11.3 per cent). Computer & related activities revenue growth in the first and fourth quarter was on a lower scale compared to second and third quarter of

2007-08. Over the quarters, gross margin came down by 3.0 percentage points.

#### *Performance of Non-Government Financial Companies*

The non-government financial public limited companies performed well during 2007-08 in terms of growth in income from operations and net profits. The select 356 companies recorded 44.9 per cent growth

Chart 4: Percentage change in Net profits over the Quarters of 2007-08 -Major Industry-wise

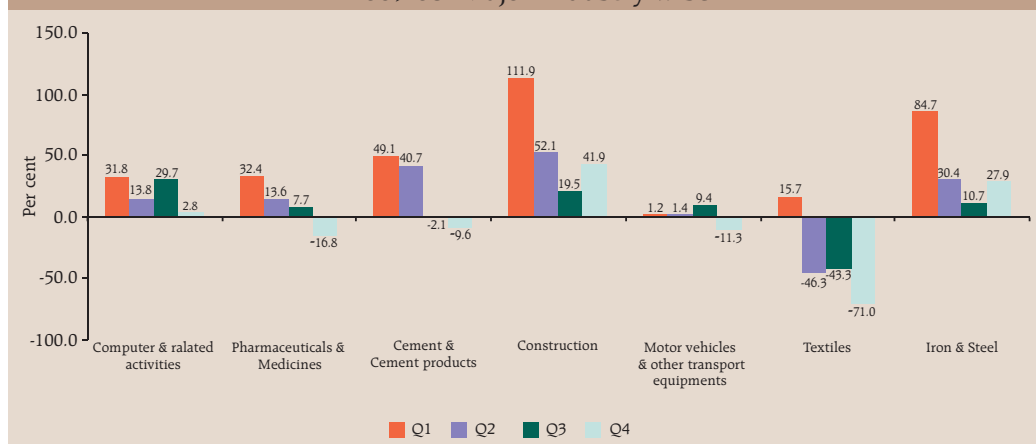
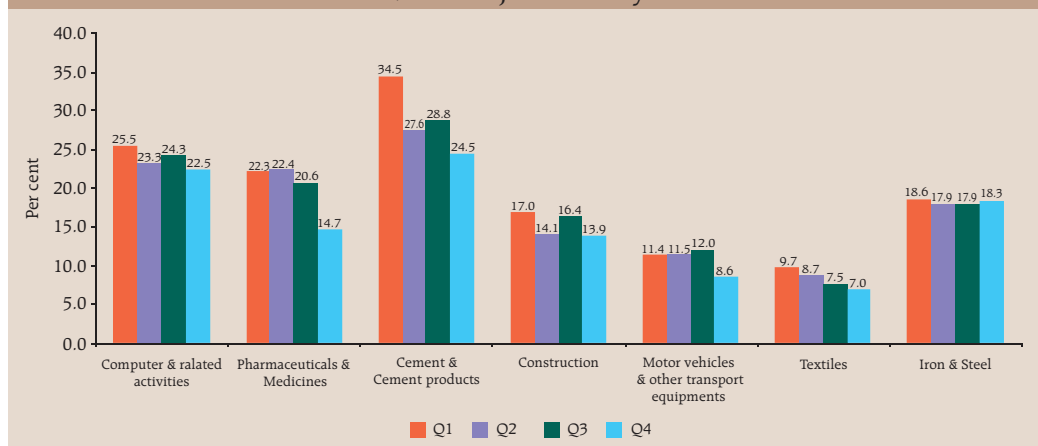


Chart 5: Gross Profit Margin over the Quarters of  
2007-08 -Major Industry-wise

in their income from operations keeping their expenditure well in check at 35.1 per cent (Table 10). Net profits of these companies witnessed steep rise of 91.6 per cent despite very high growth in interest outgo (55.5 per cent) and tax (114.9 per cent).

Over the quarters, financial companies performed better in the second and third quarters compared to first and fourth quarters. Growth in income from

operations and net profits were the highest at 52.2 per cent and more than 100 per cent in the third quarter. The growth in other income for third quarter was influenced by a few large companies reporting high income from sale of investments in subsidiaries/ joint ventures. High growth in depreciation provision, interest outgo and tax provision was observed in each of the quarters of 2007-08.

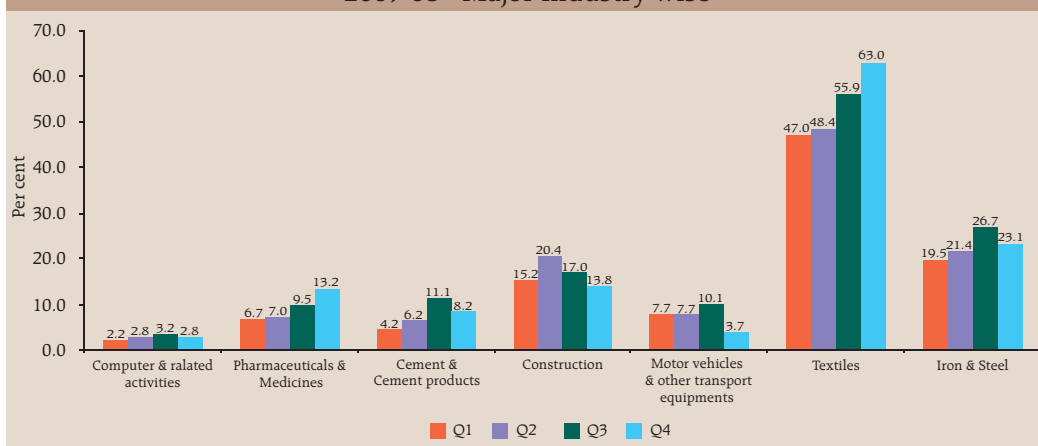
Chart 6: Interest Burden (Interest to Gross profits) over the Quarters of  
2007-08 -Major Industry-wise

Table 10: Performance of Financial Companies, 2007-08

Item	Q1:2007-08		Q2:2007-08		Q3:2007-08		Q4: 2007-08		2007-08	
	Amount (Rs. Crore)	Per cent change*	Amount (Rs. Crore)	Per cent change*	Amount (Rs. Crore)	Per cent change*	Amount (Rs. Crore)	Per cent change*	Amount (Rs. Crore)	Per cent change*
1	2	3	4	5	6	7	8	9	10	11
Number of cos.	256		284		345		310		356	
Income from operations	5876	39.4	6882	41.7	8186	52.2	8228	32.5	34154	44.9
Other income	125	72.2	466	295.2	2191	2058.0	331	67.5	843	45.2
Expenditure	2346	17.0	2937	37.2	3734	42.3	3436	29.7	14514	35.1
Interest	2224	59.2	2387	47.8	2702	57.6	2886	46.5	12072	55.5
Gross profits	3601	60.6	4319	56.1	6571	134.5	4939	32.8	20131	54.5
Depreciation	55	36.4	92	37.2	72	37.1	97	51.5	438	39.3
Profits before tax	1376	62.8	1932	67.8	3869	255.4	2052	17.4	8059	52.9
Tax provision	307	80.8	473	116.1	778	242.7	608	75.1	2572	114.9
Profits after tax	1069	58.3	1459	56.4	3092	258.8	1699	22.5	7977	91.6
Paid-up capital	2841	4.6	3044	5.9	3267	7.5	3730	7.5	5596	7.0

\*: Over the corresponding period of the previous year.

Statement 1: Industry-wise Growth Rates of Select Performance Indicators, 2007-08

Industry/ Industry group	No. of companies	Paid-up capital		Per cent share								
		Amount (Rs crore)	Per cent change	Sales	Other income	Expenditure	Depreciation	Gross profits	Interest	Profits before tax	Tax provision	Profits after tax
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	23	192	0.3	5.6	24.2	6.0	-6.7	5.6	22.1	0.0	67.2	-1.4
2. Mining and quarrying	39	544	1.0	45.6	22.2	28.7	7.0	100.9	30.9	107.3	97.4	112.0
3. Food products and beverages												
<i>Of which</i>	161	2280	4.0	25.7	12.8	27.3	21.9	28.6	55.6	19.1	26.5	3.7
i. Sugar	22	457	0.8	-2.9	65.9	4.4	20.4	-72.1	49.7	\$	\$	\$
ii. Edible oils	51	560	1.0	30.0	17.9	30.3	15.3	74.7	52.7	82.6	79.9	81.5
iii. Other food products & beverages	88	1264	2.2	29.0	0.7	30.6	25.4	35.2	57.9	27.7	31.1	10.6
4. Textiles	283	4984	8.8	13.7	46.5	16.0	17.2	-6.7	30.3	-28.0	-24.4	-35.2
5. Paper and paper products	38	534	0.9	9.4	6.1	9.6	16.6	11.1	24.3	7.4	20.1	14.7
6. Chemicals and chemical products												
<i>Of which</i>	354	7336	12.9	17.2	28.2	16.8	6.7	20.0	18.9	20.2	16.8	20.4
i. Basic industrial chemicals	95	1269	2.2	16.7	0.6	13.6	6.3	26.4	21.3	28.0	31.8	32.0
ii. Chemical fertilizers and pesticides	35	1949	3.4	20.7	15.4	19.4	-6.1	32.2	17.0	37.6	32.5	43.1
iii. Paints and varnishes	12	286	0.5	15.0	20.8	13.6	4.0	20.1	13.7	20.3	-17.4	-27.2
iv. Pharmaceuticals and medicines	128	2139	3.8	17.2	63.9	18.7	16.5	16.2	20.3	15.8	26.1	13.9
v. Other chemical & chemical products	84	1693	3.0	15.1	-3.6	14.7	5.7	14.9	16.5	14.6	-2.0	39.1
7. Rubber and plastic products	110	1123	2.0	13.9	48.4	9.7	9.5	59.7	15.6	97.0	148.4	93.6
8. Cement and cement products	37	2186	3.8	20.2	104.3	21.6	14.0	28.0	17.6	29.0	41.3	18.3
9. Iron and steel	112	4942	8.7	20.4	57.1	22.9	12.2	24.7	26.1	24.3	27.2	28.3
10. Fabricated metal products except machinery and equipment	31	350	0.6	13.8	18.7	14.7	38.0	8.2	26.4	4.6	13.1	11.4
11. Machinery and machine tools	123	1337	2.4	22.5	3.2	22.2	22.2	24.4	30.3	23.7	37.8	22.5
12. Electrical machinery and apparatus	90	1188	2.1	28.6	30.7	28.7	12.9	42.2	33.1	44.4	61.6	32.5
13. Radio, television and communication equipments	44	1025	1.8	0.8	-1.6	1.8	7.3	-24.0	45.7	-65.0	5.5	-86.2
14. Medical precision and other scientific instruments	21	215	0.4	33.9	-34.5	34.4	20.3	16.2	15.2	16.4	24.3	27.0
15. Motor vehicles and other transport equipments	74	1800	3.2	8.3	29.1	9.4	25.0	3.4	39.2	0.8	5.0	1.8
16. Jewellery and related articles	29	301	0.5	23.7	730.2	29.0	8.8	9.5	-3.9	17.5	-14.7	-96.6
17. Diversified	17	611	1.1	22.4	9.7	22.3	25.6	34.5	40.8	33.7	73.1	56.0
18. Electricity generation and supply	8	1274	2.2	15.7	11.6	17.0	-1.3	12.8	0.3	17.2	1537.0	20.4
19. Construction	73	1476	2.6	37.4	23.6	37.4	30.3	42.0	43.9	41.6	24.9	47.9
20. Wholesale and retail trade	117	950	1.7	15.1	26.5	16.1	24.4	33.5	27.1	37.9	25.5	56.3
21. Hotel and restaurant	44	669	1.2	19.9	60.9	16.5	6.8	33.0	22.4	35.0	58.6	20.3
22. Transport, storage and communication	34	6000	10.5	29.4	78.9	28.7	31.1	36.3	52.9	33.2	41.4	47.8
23. Computer and related activities	181	6044	10.6	24.0	144.9	26.3	20.8	28.4	92.9	27.1	39.2	17.9
24. Petroleum refinery	15	2803	4.9	19.3	81.0	16.8	0.6	23.4	-9.1	26.1	59.2	63.1
<b>All companies</b>	<b>2359</b>	<b>56872</b>	<b>100.0</b>	<b>18.3</b>	<b>46.2</b>	<b>18.4</b>	<b>14.8</b>	<b>22.8</b>	<b>28.8</b>	<b>21.9</b>	<b>24.1</b>	<b>26.2</b>

'\$': Numerator or denominator negative.

**Statement 2: Industry-wise Profit Allocation, Interest-linked and Profitability Ratios, 2007-08**

(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	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	16.2	27.1	25.3	29.3	3.9	3.4	4.5	5.2	17.6	17.6	16.6	15.5
2. Mining and quarrying	33.6	31.9	8.4	5.4	12.0	18.3	2.2	2.0	26.2	36.2	15.8	23.0
3. Food products and beverages												
<i>Of which</i>	23.2	24.6	26.1	31.6	3.8	3.2	2.0	2.4	7.5	7.7	4.8	4.0
i. Sugar	19.3	\$	31.3	168.2	3.2	0.6	2.6	4.1	8.4	2.4	5.9	-0.9
ii. Edible oils	23.7	23.3	26.6	23.2	3.8	4.3	0.8	1.0	3.1	4.2	1.7	2.3
iii. Other food products & beverages	23.8	24.4	25.0	29.2	4.0	3.4	3.0	3.7	12.0	12.6	8.0	6.9
4. Textiles	18.9	19.8	36.4	50.9	2.7	2.0	3.7	4.3	10.2	8.4	5.3	3.0
5. Paper and paper products	20.3	22.7	22.0	24.6	4.5	4.1	2.9	3.3	13.3	13.5	7.3	7.7
6. Chemicals and chemical products												
<i>Of which</i>	19.7	19.2	14.4	14.2	7.0	7.0	2.1	2.1	14.3	14.7	10.7	11.0
i. Basic industrial chemicals	17.6	18.1	22.8	21.9	4.4	4.6	3.3	3.4	14.5	15.7	9.6	10.9
ii. Chemical fertilizers and pesticides	32.6	31.4	26.3	23.3	3.8	4.3	2.7	2.6	10.3	11.3	7.3	8.7
iii. Paints and varnishes	44.2	30.3	3.3	3.1	30.2	31.9	0.4	0.4	12.9	13.5	13.9	8.8
iv. Pharmaceuticals and medicines	13.3	14.5	9.2	9.5	10.9	10.5	1.8	1.8	19.2	19.0	15.0	14.6
v. Other chemical & chemical products	22.0	18.8	15.2	15.4	6.6	6.5	1.6	1.6	10.5	10.4	6.5	7.9
7. Rubber and plastic products	21.1	26.6	45.9	33.3	2.2	3.0	3.3	3.3	7.1	10.0	2.8	4.7
8. Cement and cement products	25.2	27.7	8.2	7.5	12.2	13.3	2.2	2.2	26.9	28.7	19.6	19.3
9. Iron and steel	27.9	28.5	21.4	21.6	4.7	4.6	3.9	4.1	18.1	18.7	9.8	10.5
10. Fabricated metal products except machinery and equipment	21.7	23.5	16.6	19.4	6.0	5.1	3.0	3.3	17.7	16.9	10.1	9.9
11. Machinery and machine tools	28.0	31.2	10.6	11.1	9.4	9.0	1.3	1.3	11.9	12.1	8.5	8.5
12. Electrical machinery and apparatus	26.6	29.8	19.6	18.4	5.1	5.4	2.2	2.3	11.1	12.2	7.0	7.3
13. Radio, television and communication equipments	27.4	82.8	37.1	71.1	2.7	1.4	2.2	3.2	6.0	4.5	11.8	1.6
14. Medical precision and other scientific instruments	25.4	27.1	13.3	13.2	7.5	7.6	1.3	1.1	9.5	8.2	5.5	5.2
15. Motor vehicles and other transport equipments	26.0	27.0	6.9	9.3	14.5	10.8	0.7	0.9	10.5	10.0	7.4	6.9
16. Jewellery and related articles	22.9	16.6	37.4	32.8	2.7	3.0	2.5	1.9	6.6	5.8	3.1	0.1
17. Diversified	24.2	31.3	11.5	12.0	8.7	8.3	2.1	2.4	18.4	20.2	11.9	15.2
18. Electricity generation and supply	0.7	10.4	26.2	23.3	3.8	4.3	5.4	4.7	20.6	20.1	15.5	16.1
19. Construction	31.6	27.8	15.7	15.9	6.4	6.3	2.1	2.2	13.2	13.7	7.7	8.3
20. Wholesale and retail trade	22.7	20.7	40.4	38.4	2.5	2.6	1.7	1.8	4.1	4.7	2.0	2.7
21. Hotel and restaurant	28.2	33.1	15.8	14.5	6.3	6.9	5.4	5.5	34.4	38.1	21.0	21.1
22. Transport, storage and communication	14.8	15.7	15.9	17.8	6.3	5.6	3.0	3.5	18.6	19.6	14.2	16.2
23. Computer and related activities	11.3	12.4	1.9	2.9	51.4	34.2	0.5	0.7	24.6	25.5	23.0	21.9
24. Petroleum refinery	11.6	14.6	7.6	5.6	13.1	17.8	1.1	0.8	13.8	14.3	10.5	14.4
<b>All companies</b>	<b>21.3</b>	<b>21.7</b>	<b>13.1</b>	<b>13.8</b>	<b>7.6</b>	<b>7.3</b>	<b>2.1</b>	<b>2.2</b>	<b>15.8</b>	<b>16.3</b>	<b>11.0</b>	<b>11.8</b>

\$: Numerator or Denominator negative.

Statement 3: Industry-wise Performance over the Quarters of 2007-08

Industry / Industry Group	(Per cent)											
	Number of Companies				Sales				Expenditure			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Tea plantation	24	21	18	25	4.2	4.4	13.3	10.6	4.3	8.6	13.3	12.3
2. Mining and quarrying	38	35	37	37	12.4	42.1	59.9	61.6	16.1	31.9	42.9	30.9
3. Food products and beverages												
<i>Of which</i>	169	156	172	170	21.9	18.4	18.5	27.9	28.2	19.8	17.8	25.3
i. Sugar	34	26	40	36	-11.9	-14.0	-2.4	6.7	11.5	1.5	0.4	4.8
ii. Edible oils	50	45	47	47	54.1	23.7	21.3	35.0	53.1	22.5	19.9	38.0
iii. Other food products & beverages	85	85	85	87	21.6	24.8	29.1	33.2	19.1	23.5	27.3	35.3
4. Textiles	278	267	285	281	12.9	12.3	13.9	16.8	14.8	14.8	17.2	17.5
5. Paper and paper products	41	36	40	39	12.7	8.4	9.4	-3.1	12.7	5.7	7.4	0.2
6. Chemicals and chemical products												
<i>Of which</i>	367	339	344	360	8.0	10.9	17.2	19.3	7.1	10.2	17.0	21.4
i. Basic industrial chemicals	95	85	91	97	13.7	12.0	20.9	25.4	14.8	8.8	17.6	22.7
ii. Chemical fertilizers and pesticides	38	35	35	34	-6.3	2.0	16.1	27.4	-8.5	0.0	12.0	26.9
iii. Paints and varnishes	14	13	13	15	14.7	11.5	20.2	14.6	13.7	9.0	20.6	14.9
iv. Pharmaceuticals and medicines	129	121	123	126	12.9	17.4	16.5	16.6	13.6	20.1	19.9	19.9
v. Other chemical & chemical products	91	85	82	88	7.3	10.5	16.3	17.0	5.6	9.9	16.7	21.0
7. Rubber and plastic products	110	105	111	104	16.0	12.8	13.5	11.7	11.7	8.8	11.6	6.5
8. Cement and cement products	39	39	39	40	24.4	20.9	18.6	16.3	24.8	16.2	19.6	23.0
9. Iron and steel	109	110	113	111	25.2	18.0	17.4	24.9	27.4	17.7	17.2	31.3
10. Fabricated metal products except machinery and equipment	32	31	32	31	19.3	16.3	11.1	9.3	22.0	16.8	11.1	10.8
11. Machinery and machine tools	134	127	127	139	26.4	22.7	18.5	16.0	26.4	21.0	18.3	16.9
12. Electrical machinery and apparatus	92	87	87	96	31.8	25.8	33.7	24.8	29.6	23.4	32.0	29.8
13. Radio, television and communication equipments	40	42	40	41	10.6	-8.2	-4.2	-10.0	10.4	-6.2	-3.2	-1.3
14. Medical precision and other scientific instruments	20	17	21	22	57.9	33.9	24.2	8.8	60.2	32.3	25.5	15.7
15. Motor vehicles and other transport equipments	85	82	81	78	10.4	6.7	8.0	8.0	11.4	7.2	8.2	11.4
16. Jewellery and related articles	24	23	25	25	19.0	24.2	20.0	19.1	17.8	24.7	20.1	50.6
17. Diversified	16	15	16	16	22.6	20.0	15.5	22.6	18.0	14.6	9.2	29.0
18. Electricity generation and supply	9	7	8	9	19.2	10.5	7.5	25.1	29.4	12.9	6.4	20.4
19. Construction	70	65	69	72	36.6	38.3	36.4	38.1	30.2	35.1	40.6	41.1
20. Wholesale and retail trade	102	99	114	117	22.1	16.1	10.4	16.2	21.6	15.0	8.5	21.4
21. Hotel and restaurant	45	43	43	41	22.9	22.5	22.1	15.8	20.5	15.5	18.1	15.8
22. Transport, storage and communication	33	32	34	34	31.5	25.5	28.1	31.5	27.6	18.9	27.9	41.4
23. Computer and related activities	166	164	173	175	25.8	36.3	34.0	25.8	27.3	42.2	40.9	30.4
24. Petroleum refinery	14	13	14	15	15.0	7.2	22.4	33.9	13.6	5.3	24.3	30.9
<b>All companies</b>	<b>2342</b>	<b>2228</b>	<b>2329</b>	<b>2357</b>	<b>19.2</b>	<b>16.0</b>	<b>18.0</b>	<b>20.6</b>	<b>19.3</b>	<b>15.5</b>	<b>18.7</b>	<b>23.3</b>

+. All companies under study.



Statement 3: Industry-wise Performance over the Quarters of 2007-08 (Contd.)

Industry / Industry Group	(Per cent)							
	Gross profits				Profits after tax			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	14	15	16	17	18	19	20	21
1. Tea plantation	18.7	-33.5	-0.6	\$	-0.3	-43.4	-20.5	\$
2. Mining and quarrying	4.3	101.3	104.6	162.0	0.9	136.4	113.6	167.0
3. Food products and beverages								
<i>Of which</i>	-33.3	11.9	-1.2	103.0	-69.1	-5.7	-32.0	135.0
i. Sugar	\$	\$	-42.0	431.0	\$	\$	\$	\$
ii. Edible oils	101.9	45.0	67.7	70.0	122.2	30.6	68.4	47.5
iii. Other food products & beverages	41.8	40.3	-7.1	50.5	39.3	42.4	-26.7	38.6
4. Textiles	18.9	-20.4	-18.5	-11.0	15.7	-46.3	-43.3	-71.0
5. Paper and paper products	20.0	26.4	20.5	-23.0	19.2	24.3	8.7	-23.0
6. Chemicals and chemical products								
<i>Of which</i>	19.8	18.1	14.7	17.6	25.2	17.8	11.5	7.0
i. Basic industrial chemicals	21.0	43.9	43.0	58.4	31.7	62.6	65.6	-0.9
ii. Chemical fertilizers and pesticides	-23.7	23.5	43.1	140.0	-31.4	29.2	44.0	375.0
iii. Paints and varnishes	31.5	40.3	-46.8	9.3	51.6	44.9	-49.8	-41.0
iv. Pharmaceuticals and medicines	29.5	16.2	12.4	-8.8	32.4	13.6	7.7	-16.8
v. Other chemical & chemical products	30.4	5.3	16.6	5.4	37.3	4.5	13.8	19.8
7. Rubber and plastic products	94.6	75.7	75.7	33.2	148.3	115.2	123.8	41.2
8. Cement and cement products	37.0	35.6	25.6	6.2	49.1	40.7	-2.1	-9.6
9. Iron and steel	45.3	24.7	20.1	28.2	84.7	30.4	10.7	27.9
10. Fabricated metal products except machinery and equipment	23.2	11.2	6.5	-3.0	34.4	9.5	-0.2	4.3
11. Machinery and machine tools	45.7	6.6	21.2	24.5	48.2	2.2	23.5	25.7
12. Electrical machinery and apparatus	33.3	43.5	48.7	20.5	22.1	40.2	48.7	18.4
13. Radio, television and communication equipments	41.6	-34.6	5.1	\$	362.4	-49.5	\$	\$
14. Medical precision and other scientific instruments	58.3	54.2	38.4	-60.0	44.3	38.2	42.3	-51.7
15. Motor vehicles and other transport equipments	4.2	-1.0	9.9	-11.0	1.2	1.4	9.4	-11.3
16. Jewellery and related articles	42.8	14.2	41.4	8.4	58.4	15.6	65.6	\$
17. Diversified	39.0	123.1	47.1	23.3	38.4	135.6	50.5	28.5
18. Electricity generation and supply	17.0	28.5	21.1	14.3	26.9	37.5	8.4	19.3
19. Construction	100.3	53.8	17.6	34.3	111.9	52.1	19.5	41.9
20. Wholesale and retail trade	30.8	51.8	34.5	32.1	35.4	66.6	43.3	45.6
21. Hotel and restaurant	8.3	51.2	34.1	20.4	3.2	56.0	30.8	7.1
22. Transport, storage and communication	67.6	63.2	41.0	3.3	102.2	81.0	22.3	11.2
23. Computer and related activities	28.6	17.0	33.9	11.9	31.8	13.8	29.7	2.8
24. Petroleum refinery	28.3	25.9	144.6	21.9	29.5	29.0	160.9	23.9
<b>All companies</b>	<b>28.6</b>	<b>22.1</b>	<b>30.7</b>	<b>16.8</b>	<b>33.9</b>	<b>22.7</b>	<b>29.4</b>	<b>14.1</b>

\$. Denominator and numerator negative; +: All companies under study.

**Statement 4: Industry-wise Profit Allocation Ratios and Interest-linked Ratios over the Quarters of 2007-08**

Industry / Industry group	(Per cent)															
	Interest to Gross profits								Interest to Sales							
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Tea plantation	17.5	28.1	8.2	16.6	19.5	23.8	\$	\$	3.1	5.8	3.8	4.8	4.7	5.0	6.0	4.7
2. Mining and quarrying	8.2	11.8	20.0	12.1	7.6	5.1	7.2	4.9	2.1	2.8	3.2	2.8	2.3	2.0	2.1	2.3
3. Food products and beverages																
<i>Of which</i>	18.1	44.9	24.5	31.2	21.6	38.4	36.1	29.0	2.0	2.7	2.1	2.5	2.0	2.9	2.5	3.1
i. Sugar	13.1	\$	39.8	\$	41.2	164.4	117.0	31.9	2.3	5.7	3.7	6.4	2.6	6.1	4.6	6.2
ii. Edible oils	34.1	25.7	22.4	19.5	25.8	22.1	27.9	27.0	1.0	1.0	0.9	0.9	0.8	1.0	0.9	1.1
iii. Other food products & beverages	20.3	19.5	21.2	21.7	16.2	27.0	23.3	27.7	2.6	2.9	2.6	2.9	3.0	3.6	2.7	3.7
4. Textiles	42.3	47.0	29.9	48.4	35.4	55.9	41.7	63.0	3.9	4.6	3.6	4.2	3.7	4.2	3.8	4.4
5. Paper and paper products	26.1	28.8	23.3	22.7	23.3	26.6	20.7	26.8	3.1	3.6	3.1	3.5	3.2	4.0	3.2	3.2
6. Chemicals and chemical products																
<i>Of which</i>	14.4	10.8	11.7	11.4	13.6	13.9	13.1	14.9	2.2	1.8	1.8	1.9	2.2	2.2	1.9	2.1
i. Basic industrial chemicals	25.9	23.1	26.6	20.0	27.6	21.3	23.4	18.9	3.7	3.5	3.4	3.3	3.6	3.3	3.3	3.4
ii. Chemical fertilizers and pesticides	28.7	26.0	24.1	24.0	28.4	23.4	43.9	23.3	4.8	3.5	2.4	2.9	2.8	2.8	3.8	3.8
iii. Paints and varnishes	10.0	4.9	6.6	4.7	1.9	4.4	5.8	6.4	1.1	0.6	0.7	0.6	0.5	0.5	0.7	0.8
iv. Pharmaceuticals and medicines	8.2	6.7	7.1	7.0	8.9	9.5	8.0	13.2	1.6	1.5	1.6	1.6	1.9	1.9	1.5	1.9
v. Other chemical & chemical products	10.1	7.2	7.8	8.3	12.2	12.7	8.5	10.2	1.3	1.1	1.1	1.2	1.5	1.5	1.0	1.1
7. Rubber and plastic products	52.0	32.5	54.1	36.8	48.5	33.2	34.3	25.7	2.8	3.0	3.4	3.6	3.0	3.2	2.8	2.5
8. Cement and cement products	8.2	4.2	9.6	6.2	7.1	11.1	8.3	8.2	2.6	1.5	2.4	1.7	1.9	3.2	2.2	2.0
9. Iron and steel	31.7	19.5	25.2	21.4	20.2	26.7	18.9	23.1	5.1	3.6	4.3	3.8	3.5	4.8	3.4	4.2
10. Fabricated metal products except machinery and equipment	22.4	16.1	17.9	18.6	17.3	22.3	14.5	24.1	3.6	2.7	3.1	3.1	2.9	3.6	2.5	3.7
11. Machinery and machine tools	12.5	9.9	7.9	8.8	12.1	12.5	10.4	9.3	1.5	1.3	1.2	1.1	1.4	1.5	1.3	1.2
12. Electrical machinery and apparatus	14.0	14.6	15.2	13.7	21.1	19.4	13.6	15.6	1.8	1.9	1.8	1.9	2.3	2.4	1.6	1.8
13. Radio, television and communication equipments	77.6	42.3	56.4	69.9	81.8	59.1	35.3	\$	4.3	3.0	4.2	3.7	4.2	3.3	2.5	3.5
14. Medical precision and other scientific instruments	-1.1	-0.6	11.3	8.7	-1.1	0.0	1.1	6.9	-0.1	0.0	1.1	0.9	-0.1	0.0	0.1	0.2
15. Motor vehicles and other transport equipments	5.2	7.7	5.2	7.7	7.4	10.1	7.0	3.7	0.6	0.9	0.6	0.9	0.9	1.2	0.7	0.3
16. Jewellery and related articles	36.5	28.9	30.5	27.5	31.6	25.5	34.3	28.2	2.1	2.0	2.2	1.8	2.0	1.9	2.0	1.5
17. Diversified	11.5	10.9	10.3	6.2	11.6	9.8	11.8	11.3	2.1	2.3	1.8	2.0	1.9	2.1	2.3	2.2
18. Electricity generation and supply	25.7	23.5	22.8	19.0	27.7	23.8	34.1	25.5	5.4	4.9	5.2	5.0	5.1	4.9	6.1	4.2
19. Construction	19.9	15.2	20.4	20.4	12.6	17.0	11.4	13.8	2.3	2.6	2.6	2.9	2.4	2.8	1.6	1.9
20. Wholesale and retail trade	37.9	36.4	38.4	36.0	37.1	35.3	40.2	37.7	1.9	1.9	1.7	2.1	1.8	2.0	1.8	1.9
21. Hotel and restaurant	18.2	19.2	24.8	20.2	11.5	12.0	12.5	11.9	6.7	6.2	6.7	6.7	4.4	5.1	4.9	4.9
22. Transport, storage and communication	18.5	-0.9	18.0	11.2	14.6	29.6	11.2	25.4	3.5	-0.2	3.3	2.7	2.9	6.4	2.5	4.5
23. Computer and related activities	2.0	2.2	1.5	2.8	1.8	3.2	2.1	2.8	0.5	0.6	0.4	0.7	0.4	0.8	0.5	0.6
24. Petroleum refinery	8.3	7.1	8.0	5.5	8.0	2.7	7.0	5.5	1.1	1.0	1.0	0.8	1.1	0.7	1.0	0.7
<b>All companies +</b>	<b>14.5</b>	<b>11.7</b>	<b>13.0</b>	<b>12.6</b>	<b>12.6</b>	<b>14.0</b>	<b>12.6</b>	<b>14.6</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>	<b>2.0</b>	<b>2.5</b>	<b>1.9</b>	<b>2.2</b>

\$: Numerator & Denominator Negative, +: All companies under study.

Statement 5: Industry-wise Profitability Ratios over the Quarters of 2007-08

(Per cent)

Industry / Industry group	Gross profits to Sales								Profits after tax to Sales							
	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Tea plantation	17.9	20.5	45.8	29.2	23.9	20.9	-5.4	-1.0	12.5	11.9	39.7	21.5	17.4	12.2	-11.0	15.4
2. Mining and quarrying	25.5	23.6	16.2	23.0	30.9	39.5	28.8	46.6	16.0	14.4	8.7	14.5	19.1	25.5	17.8	29.4
3. Food products and beverages																
<i>Of which</i>	11.1	6.1	8.5	8.0	9.1	7.6	6.8	10.8	7.1	1.8	4.9	3.9	6.2	3.6	3.3	6.0
i. Sugar	17.7	-6.5	9.4	-3.6	6.2	3.7	3.9	19.4	12.7	-11.7	4.5	-9.6	3.1	-2.5	-0.7	12.1
ii. Edible oils	2.8	3.7	3.9	4.5	3.2	4.5	3.3	4.2	1.5	2.1	2.6	2.7	1.9	2.6	1.9	2.0
iii. Other food products & beverages	12.6	14.7	12.1	13.6	18.5	13.3	11.7	13.3	7.3	8.4	7.0	8.0	13.7	7.8	6.9	7.2
4. Textiles	9.2	9.7	12.2	8.7	10.5	7.5	9.2	7.0	4.1	4.2	7.4	3.5	5.6	2.8	4.5	1.1
5. Paper and paper products	11.8	12.6	13.3	15.5	13.6	14.9	15.2	12.1	6.8	7.2	8.4	9.6	8.5	8.4	8.4	6.7
6. Chemicals and chemical products																
<i>Of which</i>	15.3	17.0	15.6	16.6	15.8	15.5	14.2	14.0	10.5	12.2	11.2	11.9	11.4	10.9	11.5	10.3
i. Basic industrial chemicals	14.3	15.2	12.9	16.5	13.0	15.3	14.2	17.9	8.2	9.5	7.5	10.9	7.4	10.1	16.6	13.1
ii. Chemical fertilizers and pesticides	16.8	13.7	10.0	12.1	9.8	12.1	8.6	16.2	9.7	7.1	5.1	6.5	5.2	6.5	3.1	11.5
iii. Paints and varnishes	10.5	12.0	11.0	13.9	27.8	12.3	12.8	12.2	6.3	8.3	7.0	9.1	20.3	8.5	15.9	8.2
iv. Pharmaceuticals and medicines	19.4	22.3	22.6	22.4	21.3	20.6	18.9	14.7	15.2	17.8	18.1	17.5	17.4	16.1	15.4	11.0
v. Other chemical & chemical products	12.5	15.2	14.5	13.9	11.9	11.9	12.0	10.8	8.6	10.9	11.0	10.4	8.6	8.4	7.9	8.0
7. Rubber and plastic products	5.5	9.2	6.3	9.8	6.2	9.7	8.0	9.6	2.1	4.6	2.4	4.6	2.3	4.6	4.4	5.6
8. Cement and cement products	31.3	34.5	24.6	27.6	27.2	28.8	26.8	24.5	21.9	26.3	17.0	19.7	19.5	16.1	21.1	16.4
9. Iron and steel	16.1	18.6	17.0	17.9	17.5	17.9	17.8	18.3	7.5	11.1	9.3	10.3	10.1	9.5	9.6	9.8
10. Fabricated metal products except machinery and equipment	16.2	16.7	17.6	16.8	17.0	16.3	17.1	15.2	9.4	10.6	10.9	10.3	10.7	9.6	9.8	9.3
11. Machinery and machine tools	11.6	13.4	14.9	12.9	11.9	12.1	12.1	13.0	7.3	8.6	10.4	8.7	7.6	7.9	8.3	9.0
12. Electrical machinery and apparatus	13.0	13.1	11.9	13.5	11.1	12.4	12.0	11.6	8.6	8.0	7.5	8.4	6.5	7.3	7.5	7.1
13. Radio, television and communication equipments	5.6	7.1	7.5	5.3	5.2	5.7	7.0	-0.5	0.7	3.0	2.4	1.3	-0.1	1.4	3.6	-0.2
14. Medical precision and other scientific instruments	6.6	6.6	9.5	10.9	10.1	11.2	8.6	3.2	4.8	4.4	6.7	6.9	7.1	8.1	5.3	2.4
15. Motor vehicles and other transport equipments	12.1	11.4	12.4	11.5	11.8	12.0	10.5	8.6	8.3	7.6	8.4	8.0	8.0	8.1	7.6	6.2
16. Jewellery and related articles	5.9	7.0	7.1	6.5	6.4	7.5	5.9	5.4	3.1	4.1	4.2	3.9	3.3	4.6	2.5	-6.5
17. Diversified	18.4	20.8	17.3	32.1	16.7	21.3	19.7	19.8	12.0	13.6	11.5	22.6	11.1	14.5	13.8	14.5
18. Electricity generation and supply	21.1	20.8	22.7	26.4	18.3	20.6	17.8	16.3	13.1	14.0	15.3	19.1	16.3	16.4	16.2	15.4
19. Construction	11.6	17.0	12.7	14.1	19.0	16.4	14.3	13.9	6.7	10.4	7.3	8.0	11.7	10.2	8.7	8.9
20. Wholesale and retail trade	5.0	5.3	4.4	5.8	4.7	5.8	4.4	5.0	2.5	2.8	2.1	3.1	2.3	3.0	1.8	2.3
21. Hotel and restaurant	36.7	32.3	26.9	33.2	38.4	42.1	39.2	40.8	21.8	18.3	14.9	18.9	24.2	25.9	22.0	20.3
22. Transport, storage and communication	18.8	23.9	18.3	23.8	19.7	21.7	22.7	17.8	13.2	20.3	13.0	18.7	14.5	13.9	17.4	14.8
23. Computer and related activities	24.9	25.5	27.2	23.3	24.3	24.3	25.3	22.5	21.4	22.4	23.7	19.8	21.5	20.8	23.5	19.2
24. Petroleum refinery	12.7	14.2	12.2	14.3	13.4	26.8	14.6	13.3	10.2	11.5	9.8	11.8	10.8	23.0	11.3	10.4
<b>All companies +</b>	<b>15.5</b>	<b>16.7</b>	<b>15.7</b>	<b>16.6</b>	<b>16.0</b>	<b>17.8</b>	<b>15.5</b>	<b>15</b>	<b>10.4</b>	<b>11.6</b>	<b>10.9</b>	<b>11.5</b>	<b>11.2</b>	<b>12.2</b>	<b>10.9</b>	<b>10.3</b>

+: All companies under study.