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Performance of the Private Corporate Business Sector during First Quarter of 2013-14 – Data Release

The Reserve Bank of India today released, on its website, [the data](#) on the performance of non-financial private corporate business sector during first quarter of 2013-14 (April-June 2013).

The data compiled are based on the abridged financial results of 2,768 listed non-government non-financial (NGNF) companies. To enable comparison, similar data pertaining to Q4:2012-13 and Q1:2012-13 are also presented. Coverage of companies in different quarters varies to some extent, depending on date of declaration of quarterly results but it is not expected to alter the aggregate position significantly. 'Explanatory Notes' containing the brief methodology followed for compilation of data and the glossary of terms is given at the end.

Highlights:

- Sales growth (Y-o-Y) continued to decelerate and reached the post crisis low of 2.6 per cent. Total expenditure growth also declined to 2.2 per cent mainly due to raw material expenses contraction.
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA or operating profits) grew marginally by 1.1 per cent against near stagnation seen in the previous quarter. However, net profit contracted for the second consecutive quarter. While EBITDA margin remained range bound, net profit margin declined further.
- Sales of the manufacturing sector remained almost stagnant with a growth of only 0.8 per cent in Q1:FY14. EBITDA and net profits contracted and profitability in terms of EBITDA and net profit margins worsened.
- Sales growth for the non-IT services sector was lower than that of the previous quarter. EBITDA recorded a meagre growth of 1.3 per cent but net profit contracted. EBITDA and net profit margins recorded some improvement.
- Improvement in sales growth was noticed for the IT sector. EBITDA also grew at a higher rate in comparison to the previous quarter. Net profit increased after contraction in Q4:FY13. While EBITDA margin improved, net profit margin continued to decline.
- Growth in the interest expenses recorded increase in Q1:FY14 at the aggregate level and also for the manufacturing sector. Interest coverage ratio (Earnings before Interest & Tax/Interest expenses) contracted for manufacturing and services (other than IT) sectors.
- Decline in sales growth was spread across most of the industries. Sales contracted in the motor vehicles, iron & steel, cement, coke & refined petroleum products and electrical machinery and apparatus industries among the major industries. Cement, iron & steel and construction industries witnessed significant contraction in EBITDA and net profit. Profit margins contracted in all these industries. Interest coverage declined in most of the industries.

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