प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001
Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai-400001 फोन/Phone: 022- 22660502

March 31, 2023

Finances of Non-Government Non-Financial Public Limited Companies, 2021-22

Today, the Reserve Bank released the data relating to financial performance of non-government non-financial (NGNF) public limited companies during 2021-22 (https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics#!2_44) based on audited annual accounts of 6,973 companies, which reported in the Indian Accounting Standards (Ind-AS) format for three accounting years from 2019-20 to 2021-22.

The paid up capital (PUC) of these companies amounted to ₹6,41,681 crore, which accounted for 43.3 per cent of the total PUC of NGNF public limited companies in March 2022[1]. Their economic sector classification is based on their principal business activity reported in MGT-7 form (web-link: https://www.mca.gov.in/MinistryV2/companyformsdownload.html) of the Ministry of Corporate Affairs, Government of India, which is the primary source of these data.

Highlights

Sales

- Sales of NGNF public limited companies recorded a turnaround during 2021-22 as economic activities recovered with the waning of the COVID-19 pandemic; it expanded by 36.4 per cent in contrast to a contraction of 2.1 per cent in the preceding year (Statement 1).
- All major sectors (*viz.*, manufacturing, mining, electricity, construction and services) recoded high sales growth during 2021-22 (Statement 10).

Expenditure

- On the back of a buoyant revival, operating expenses increased across major sectors and across PUC size classes during 2021-22 (Statements 1, 8 and 10).

Operating profits

- Operating profits of NGNF public limited companies increased by 29.0 per cent in 2021-22 over and above a rise of 15.6 per cent in the previous year (Statement 1). Robust sales growth during the year supported higher operating profits for major sectors (Statement 10).

[1] The previous data release in the series was published on September 22, 2022. It covered 7,233 companies for the years 2019-20 and 2020-21 with total PUC of ₹5,40,493 crore at end-March 2021.

- The ratios of operating profit and gross profit to sales moderated marginally largely due to higher growth in manufacturing expenses (51.7 per cent) *vis-à-vis* sales growth (Statements 1 and 2).

Leverage

- At the aggregate level, public limited NGNF companies preferred short term borrowings over long term financing of their funding requirements (Statement 4A), which improved their leverage; the debt-to-equity ratio moderated to 36.7 per cent during 2021-22 from 41.3 per cent in the previous year (Statement 2).
- Interest coverage ratio [ICR, which is the ratio of earnings before interest and taxes (EBIT) to interest expenses and is a measure of debt servicing capacity of a company, with minimum viable value of 1] increased to 4.1 per cent during 2021-22 (3.0 per cent in the previous year) on the back of lower interest expenses and higher gross profits (Statements 1 and 2).

Investment

- Given the uncertainties on demand conditions due to the aftermath of the successive waves of the pandemic, elevated input costs, increased accumulation of inventories and receivables, as well as global developments including supply bottlenecks, corporates were cautious in their capacity expansion and other capital investment, which resulted in lower fixed capital formation during 2021-22 (Statements 2, 3 and 5B).

Explanatory notes to the statements are given in the Annex.

Ajit Prasad
Director (Communications)

Press Release: 2022-2023/1945