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Azadi Ka Amrit Mahotsav

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Performance of Private Corporate Business Sector during Q4:2021-22

Today, the Reserve Bank released data on the performance of the private corporate sector during the fourth quarter of 2021-22 drawn from abridged quarterly financial results of 2,758 listed non-government non-financial (NGNF) companies. Data pertaining to Q4:2020-21 and Q3:2021-22 are also presented in the tables to enable comparison. The data can be accessed at the web-link https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics#!2_42.

Highlights

Sales

- Sales of 2,758 listed private non-financial companies recorded a healthy growth of 22.3 per cent (y-o-y) in Q4:2021-22, compared to 25.3 per cent growth in the previous quarter and 22.8 per cent in Q4 of previous year (Table 1A).

- Aggregate sales of 1,709 listed private manufacturing companies registered a steady growth (y-o-y) of 24.6 per cent in Q4:2021-22, driven by high sales growth in petroleum, non-ferrous metals, iron and steel, chemicals and textiles industries (Table 2A and Table 5A).

- Information technology (IT) companies continued their move on growth trajectory with 20.7 per cent growth (y-o-y) in sales during this quarter (Table 2A).

- Sales of non-IT services companies expanded by 20.9 per cent (y-o-y) in Q4:2021-22, led by steady growth in transport, trade, telecom, hotel and restaurant sectors (Table 2A and Table 5A).

Expenditure

- In tandem with the expansion in sales, manufacturing companies' expenditure on raw material increased by 32.8 per cent (y-o-y); higher input cost pressure was reflected in the increase in the ratio of raw material expenditure to sales on both sequential as well as annual basis (Table 2A and 2B).

- Staff cost in manufacturing companies recorded moderate growth of 7.2 per cent (y-o-y), whereas it was higher for IT and non-IT services companies at 24.6 per cent and 17.2 per cent, respectively, during Q4:2021-22 (Table 2A).

Operating profit

- Operating profit growth of listed private companies decelerated across broad sectors in Q4:2021-22, on the back of rise in expenditure (Table 2A).

Interest

• The interest coverage ratio (ICR)[1] of manufacturing companies improved to 9.8 in Q4:2021-22 from 7.3 a year ago; the ICR of non-IT services companies continued to remain below unity (Table 2B).

Pricing power

• Despite rising expenditures, manufacturing companies maintained their operating and net profit margins in Q4:2021-22 as compared to Q3.

• Net profit margin remained stable for IT companies while for non-IT services companies it remained in negative terrain due to losses recorded by telecom and transport companies (Table 2B).

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Notes:

- The coverage of companies in different quarters varies, depending on the date of declaration of results; this is, however, not expected to significantly alter the aggregate position.

- Explanatory notes detailing the compilation methodology, and the glossary (including revised definitions and calculations that differ from previous releases) are appended.

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Rupambara
Director (Communications)

[1] ICR (*i.e.*, ratio of earnings before interest and tax to interest expenses) is a measure of debt servicing capacity of a company. The minimum value for a viable ICR is 1.