

Chapter I: INTRODUCTION

The Reserve Bank of India has been publishing studies on the financial performance of Indian private corporate business sector for the past six decades. The studies were undertaken with a view to capture the trends in income, value of production, sales, profitability, saving, investment, borrowings, etc., in the private corporate business sector. The work relating to the analysis of balance sheets of companies was initiated in the Bank as early as 1949. The first study related to around 2500 non-financial companies whose accounts were closed during 1947. Data on 20 selected items were captured in this study. The number of items included was increased to 51 in the next study conducted in 1952 which related to 1000 non-financial companies whose accounts were closed during 1948 and 1949. Both these studies were exploratory in nature, aimed at understanding the presentation of corporate statistics and the possible differences, if any, in the concepts and definitions adopted by the companies. Based on the experience gained from these studies, a system for the analysis and processing of financial statistics from the annual accounts of companies was evolved and the studies based on the same were taken up on a regular basis since 1954 onwards.

The early studies covered only non-Government non-financial public limited companies. Later, they were extended to other sub-sectors of the private corporate business sector and presently there are separate studies covering non-Government non-financial public limited companies and non-Government non-financial private limited companies as well as financial and investment companies. Banking, insurance, etc., companies, as also companies limited by guarantee and associations, and organizations functioning not-for-profit are outside the purview of these studies. Initially, the focus of the studies was on capital formation and industrial profits but in due course other financial magnitudes, rates and ratios have been developed so as to gain a deeper understanding of the working of the private corporate business sector. Also, corporate activities have undergone rapid changes in the last sixty years due to the policy decisions of the Government, amendments in company legislation and increasing exposure to globalisation. Consistent with these changes, the coverage of these studies was enlarged from time to time by the inclusion of new companies as well as by revising the items included in the studies. The results of these studies are published in the Reserve Bank of India Bulletin from time to time and are avidly followed by researchers. Over the years, a need has been often felt to have all statistics relating to corporate finances for a series of years assembled at one place to serve as a ready reference volume to academicians/ researchers and other users interested in this important area of Indian economy. Accordingly, the Bank has, so far, brought out four compendia viz. "Financial Statistics of Joint Stock Companies in India, 1950-51 – 1962-63" in February 1967, "Financial Statistics of Joint Stock Companies in India, 1960-61 to 1970-71" in August 1975, "Private Corporate Business Sector in India – Selected Financial Statistics from 1950-51 to 1997-98 (All - Industries)" in November 2000 and "Selected Financial Statistics Public Limited Companies 1974-75 to 1999-2000 (Selected Industries)" in September 2001.

In the present compendium, the fifth in series, an attempt has been made to cull out the data on company finances from the various periodical studies till 2008-09 and present them at one place for ready reference. The data relate to non-Government non-financial public limited companies and private limited companies at aggregate level as well as for select industry groups. Also, data relating to non-Government financial and investment companies are presented at aggregated level and for major activity groups.

The compendium is organised in five descriptive chapters followed by relevant data. Chapter II deals with the methodology of processing the data. Rates and ratios presented in this compendium have been discussed in Chapter III and presentation of data has been narrated in Chapter IV. Concepts and definitions of specified heads of accounts are discussed in the fifth chapter and there after the data have been disseminated.
