

**भारतीय रिज़र्व बैंक**  
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**Performance of the private corporate business sector during the fourth quarter of 2018-19**

Today, the Reserve Bank released data on performance of the private corporate sector during the fourth quarter of 2018-19 drawn from abridged financial results of 2,701 listed non-government non-financial (NGNF) companies. Data pertaining to Q4:2017-18 and Q3:2018-19 are also presented in the tables to enable comparison. The data can be accessed at [https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics#!2\\_42](https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics#!2_42).

**Highlights****Sales**

- Demand conditions in the manufacturing sector weakened as reflected in a sharp moderation of sales growth (y-o-y), primarily due to contraction in sales of petroleum products and slowdown in demand faced by motor vehicles and other transport equipment companies.
- Sales growth improved for food products and beverages and textiles while it remained steady and in double digits for cement and cement products and pharmaceuticals.
- Sales growth of the information technology (IT) sector remained broadly unchanged; while it improved for transport and storage services industries and moved out of the contraction zone in the case of the telecommunication sector.

**Expenditure**

- Input costs (*i.e.*, raw materials) eased for manufacturing companies in Q4:2018-19 in line with the softening of commodity prices.
- The manufacturing sector also experienced a deceleration in staff cost growth mainly in motor vehicles and other transport equipment, and iron and steel industries whereas the services sector continued to experience elevated staff cost growth.

**Operating profit**

- Operating profit growth in the manufacturing sector continued to slacken in the face of lower growth in the value of production.
- The services (non-IT) sector showed signs of improvement in terms of operating profit growth assisted by transport and storage services industries.

## Interest

- The manufacturing sector recorded a small increase in interest expenses growth (y-o-y) in Q4:2018-19 on a sequential basis, but it was still muted on a year-on-year basis.
- The interest coverage ratio (ICR) of the manufacturing sector improved from the level observed in the preceding quarter; while the ICR for the services (non-IT) sector declined due to increase in interest expenses.

## Pricing power

- Pricing power in terms of operating margin remained flat in case of the manufacturing sector; lack of support from non-operating income led to a decline in net profit margin.
- Robust demand conditions led to an increase in operating profit margin of the services (non-IT) sector; however, net profit margin recorded by this sector turned negative due to heavy losses booked by the telecommunication companies.

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#### Notes:

- The coverage of companies in different quarters varies, depending on the date of declaration of results; however, this is not expected to significantly alter the aggregate position.
- Explanatory notes containing the methodology followed for compilation of data, and the glossary (including revised definitions and calculations that differ from previous releases) are given at the end.