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**Finances of Non-Government Non-Financial Public Limited Companies,
2020-21: Data Release**

Today, the Reserve Bank released the data relating to financial performance of non-government non-financial (NGNF) public limited companies during the financial years 2019-20 and 2020-21 (https://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics#!2_44). The analysis is based on audited annual accounts of 7,233 companies with total paid-up capital (PUC) of ₹5,40,493 crore of at end-March 2021¹.

This analysis provides a comparative picture of the companies reporting in the Indian Accounting Standards (Ind-AS) format over the three-year period from 2018-19 to 2020-21². Unlike the previous studies in series, which relied on corporate identification number (CIN) for classification of companies across industries, the present analysis relies on principal business activity reported by companies in their MGT-7 reporting³, which facilitates classification of companies as per their latest economic activity.

Explanatory notes to the statements are given in the Annex.

Highlights

Sales

- Private corporate sector performance in 2019-20 (last quarter) as well as 2020-21 (full financial year) reflected the highly adverse large-scale impact of the COVID-19 pandemic and the related restrictions. The NGNF companies recorded decline in annual sales for the first time since 1954-55 (Statements 1 and 10).
- Barring the information and communication sector, which moved further on the growth trajectory, all major sectors (*viz.*, manufacturing, mining, construction, and services) recorded contraction in sales during 2020-21 (Statements 1 and 10). Within the manufacturing sector, however, sales of manufactured food

¹ The previous data release in the series was published on [May 4, 2020](#). It covered 16,045 companies for the year 2018-19 with total PUC of ₹6,20,313 crore, which accounted for 64.2 per cent of total PUC of such companies at end-March 2019.

² In addition to the present annual study series on finances of public limited and private limited NGNF companies, which are based on the primary data sourced from the Ministry of Corporate Affairs (MCA), the Reserve Bank regularly publishes quarterly and annual studies on performance of listed NGNF companies based on their abridged financial results – the last such annual study covering their performance during the year 2021-22 was released on June 24, 2022 (web-link: https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53919).

³ Filing of MGT-7 eForm (annual) is mandated by the MCA under the Companies (Management and Administration) Rules, 2014 as amended from time to time, and its coverage of companies has increased over the years (web-link: <https://www.mca.gov.in/MinistryV2/companyformsdownload.html>). It contains select basic information related to a company for the latest year, which *inter alia* includes the share of principal business activities in turnover of the company, that provides basis for classification of companies across industries.

products, metals, electrical equipment, pharmaceuticals, chemicals and plastics products increased during the year.

- Aggregate sales of NGNF companies declined across their scale of operations (small, medium and large) in the two successive years (Statement 6); companies of all PUC size-classes above ₹1 crore also recorded drop in sales in both the years (Statement 8).

Expenditure

- In the face of subdued demand conditions, manufacturing and operating expenses as well as staff cost declined across major sectors in both the years (Statement 1); the drop was across all size-classes of sales as well as PUC size-classes above ₹1 crore (Statements 6 and 8).
- In line with the rise in their sales during 2020-21, companies in the areas of food as well as chemical and plastic products bucked the trend of large-scale fall in expenses (including staff expenses) (Statements 1 and 10).

Operating profits

- Despite lower scale of operations, operating profits for manufacturing sector increased in 2020-21 as the contraction in expenditure was lower than the decline in sales (Statement 10); larger companies (*i.e.*, those with sales exceeding ₹100 crore) recorded higher profits growth.
- Operating profits for the services sector moderated, especially for the contact intensive sectors (*viz.*, wholesale trade, accommodation and real estate), which witnessed larger decline in sales *vis-à-vis* the decline in expenditure (Statement 10).

Leverage

- Lower activity led to reduction in financing requirements and bank borrowings by public limited NGNF companies during 2020-21 (Statement 1); they witnessed improvement of leverage (measured as debt to equity ratio) at the aggregate level during 2020-21 (Statements 1 and 2).
- Rise in profits and lower interest expenses during 2020-21 resulted in a rise in the interest coverage ratio (ICR, measured as earnings before interest and taxes (EBIT) to interest expenses) to 3.1 per cent from 2.7 per cent in the previous year (Statements 1 and 2).

Investment

- As uncertainty prevailed in business environment and sales contracted, corporates somewhat held back their expansion plans resulting in lower fixed capital formation in the sector during 2020-21 (Statement 2).
- Fixed assets of public NGNF companies recorded a much lower increase of 1.6 per cent in 2020-21 as compared with 8.2 per cent growth in the previous year (Statements 1 and 4).
- Capex plans of wholesale trade, accommodation and real estate industries were most impacted due to the pandemic (Statement 11).