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## Performance of Financial and Investment Companies, 2012-13 – Data Release

The Reserve Bank of India today released on its website [the data](#) related to the performance of Non-Government Non-banking Financial and Investment Companies (NGNBFICs) for 2012-13. The data have been compiled based on audited annual accounts of 1,005 select financial and investment companies, which closed their accounts during the period April 2012 to March 2013. The data draw a comparative picture over the three year period 2010-11 to 2012-13 based on a common set of companies. '[Explanatory notes](#)' pertaining to statements are given at the end.

In all, annual accounts of 1,015 companies were analysed. According to the provisional estimate of population paid-up capital (PUC) supplied by Ministry of Corporate Affairs, Government of India, the select 1,015 companies accounted for 44.5 per cent of PUC of all non-government financial and investment companies as on March 31, 2013.

However, results of ten companies which have considerable influence on the overall performance by virtue of their size, income, retained profits, etc., were excluded. To maintain representativeness, 1,005 financial and investment companies were included in the final analysis. The results of all 1,015 companies are presented in Annex 1 to 3.

### Highlights:

- Growth in financial income of the select 1,005 financial and investment companies moderated to 23.2 per cent in 2012-13 from 30.4 per cent in 2011-12 mainly due to lower growth in interest income.
- Growth in total income also decelerated during the year 2012-13 to 24.7 per cent vis-à-vis the previous year (28.9 per cent)
- Total expenditure increased at a lower rate of 28.5 per cent in 2012-13 (37.7 per cent in 2011-12) aided by a fall in growth of interest expenses to 37.4 per cent (57.6 per cent in 2011-12).
- Growth in operating profits (EBDT) of the select companies was lower during the year 2012-13 whereas growth in net profits of the companies improved. Operating profit margin (measured as a ratio of operating profits to financial income) declined together with marginal fall in return on assets (ratio of net profits to total net assets) and return on shareholders' equity (ratio of net profits to net worth) in comparison with the previous year.
- Growth in investment of select financial and investment companies increased to 14.2 per cent in 2012-13 from 7.3 per cent in the previous year.

- Although the growth rate in borrowings from the bank declined significantly, the share of bank borrowing to total borrowing increased. The debt to equity ratio also increased in 2012-13 as compared to that in 2011-12.
- Within liabilities, share of the major component *viz.* long-term borrowings increased marginally; while on the assets side, share of loans and advances rose.
- During the year, the financial and investment companies continued to rely mainly on external sources for funds and used them predominantly for expanding their long-term loans and investment portfolios.
- In sources of funds, the shares of both long-term and short-term borrowings in total sources of funds declined in 2012-13 as compared with the previous year. While in case of uses of funds, the share of long-term loan and advances in total uses of funds increased in 2012-13 (58.1 per cent) *vis-à-vis* the previous year (44.9 per cent).
- The share of fresh investments (both current and non-current investments) in total uses of funds increased *vis-à-vis* the previous year.

An article analysing the performance of non-government non-banking financial and investment companies at the aggregate level as well as activity-wise is being published in the October 2014 issue of the RBI Bulletin.

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