



# Recent Trend of Corporate Sectors in India

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## Abstract:

*Industrial development of any country plays an important role in determining the growth and development aspect of the country. In the present paper researcher has analysed the recent trends of corporate sectors in India. This paper presents the trends of Indian industry for the year 2013-14. In the present paper various sectors like mining, electricity, manufacturing etc has been covered together with capital good and other core sectors to analyse the growth of it in research period. Here, finding and objectives and the method of the study have also been mentioned.*

**Keywords:** Corporate sector, Current trends, IIP, Industry, Performance

## 1. Introduction

With an intention to evaluate the performance of various corporate sectors like mining, manufacturing, electricity, capital goods, corporate sector performance, micro, small and medium enterprises sector, central public sector enterprises, steel and textiles, the researcher has conduct in-depth research to represent overview of performance of these corporate sectors. During last few years, these sectors have faced significant volatility in its performance outlook.

Industrial Performance Post 2008-09, the industrial sector, consisting of manufacturing, mining, electricity, and construction, showed remarkable recovery and steady growth for three years but lost momentum thereafter owing to a combination of supply-side and demand-side constraints. Industrial performance in 2013-14 remained lacklustre for the second successive year. The latest gross domestic product (GDP) estimates show that industry grew by just 1.0 per cent in 2012-13 and slowed further in 2013-14, posting a modest increase of 0.4 per cent. While these figures may see upward revision once Annual Survey of Corporate sectors (ASI) data is available, there is no denying that industrial revival may take longer and needs stronger initiatives to emulate the peak growth achieved in the recent past.

## 2. Significance of the Study

1. This research work will enable us to observe and measure the trend of performance of some important corporate sectors of India. The quantitative analysis will enable the researcher to measure the performance of all these corporate sectors.
2. This research will enable to understand the level contribution of corporate sectors in economic development.
3. This study will indicate overall trend of economy during the research period
4. This study will indicate to the government to take initiatives for the development of such corporate sectors.

## 3. Objectives of the Study

1. The objective of this research is to measure the trend of performance of mining, manufacturing, electricity, capital goods, corporate sector performance, micro, small and medium enterprises sector, central public sector enterprises, steel and textiles.
2. To measure the contribution of corporate sectors for development of economy.

3. To find out the underperformed corporate sectors.
4. To predict the estimated trend of selected corporate sectors in India.
5. To indicate the corporate sectors which have thrust need government assistance.

#### 4. Data Collection

The researcher has collected the data from the economic survey 2013-14, published by central government of India to maintain accuracy and authenticity of data. In the present study secondary secondary data is collected.

#### 5. Nature of Research

The nature of research is exploratory as the researcher is intended to explore facts from available information.

#### 6. Limitations

1. Only secondary data is collected.
2. Only selected industries are evaluated.
3. Comparison of data is conducted only for selected years

#### 7. Data analysis and interpretation

##### 7.1 Mining, Manufacturing and Electricity

IIP based Growth Rates of Broad Sectors (per cent)

BROAD SECTORS	2012-13	2013-2014
Mining	-2.3	-0.6
Manufacturing	1.3	-0.8
Electricity	4.0	6.1

(Source: Central Statistics Office)

In addition to slowdown in fixed investment, several domestic and external factors such as higher interest, infrastructure bottlenecks, inflationary pressure leading to rising input cost, drop in domestic and external demand for some sectors have together contributed to low growth in the manufacturing sector. The above table represents growth rate of mining, manufacturing and electricity corporate sectors. Among all these corporate sectors mining and electricity has performed positive trend whereas the growth of manufacturing sectors is declining as compare to previous year's performance.

##### 7.2 Capital Goods

IIP-Based Growth Rate of the Capital Goods Sector and its Constituents (per cent)

BROAD SECTORS	2012-13	2013-2014
Fabricated metal products	-4.7	-6.9
Machinery and equipments	-4.7	-4.7
Office, accounting and computer machinery	-13.9	-15.7
Electrical machinery	0.6	14.5
Motor vehicles	-5.3	-9.6
Other transport equipment	-0.1	5.9

(Source: Central Statistics Office)

The use based industrial classification of IIP estimates indentifies the capital goods segment as the weak performer in manufacturing sector.

Among all these capital goods, only electrical machinery sectors have performed very as compare to

the other corporate sectors. Motor vehicles are has produced negative trend and have performed very poor in 2013-2014.

### 7.3 Eight Core Corporate sectors

From among the corporate sectors in the IIP basket, an indicative monthly index of eight corporate sectors-coal, fertilizer, electricity, crude oil, natural gas, refinery products, steel and cement are 'core' in nature because of their likely impact on general economic activity as well as other industrial activity

(per cent)

BROAD SECTORS	2012-13	2013-2014
Core corporate sectors	6.5	2.7

(Source: Central Statistics Office)

There is significant declining of growth rate is been measure by the researcher in 2013-2014 as in this year growth rate was measure as 2.7 against 6.5 during 2012-2013.

### 7.4 Corporate Sector Performance

Continuing slowdown has impacted the performance of the corporate sector. While corporate debt levels have risen, earnings and profitability remained under pressure, pushing up debt coverage ratios. This has partly impacted the banking sector, with a concomitant increase in non-performing assets.

Sales growth of the corporate sector, particularly in respect of listed manufacturing companies for the private sector, declined considerably from 25.3 per cent in quarter 1 of 2011-12 to 5.0 per cent in quarter 4 of 2013-14, the latest quarter for which comparable sets of data are available.

## 8. Micro, Small and Medium Enterprises Sector

The Plan covers various aspects of the MSME sector and its key recommendations fall under six broad verticals: (i) finance and credit, (ii) technology, (iii) infrastructure, (iv) marketing and procurement, (v) skill development and training, and (vi) institutional structure.

Manufacturing enterprises constitute 31.8 per cent of the micro, small, and medium enterprises (MSME) sector and service enterprises account for the remaining 68.2 per cent. About 55.3 per cent of these enterprises are located in rural areas. The MSME sector showed consistent growth of more than 11 per cent every year till 2010-11, whereas in 2011-12 the growth rate was 19 per cent and in 2012-13 about 14 per cent.

(per cent)

BROAD SECTOR	2010-11	2011-12	2012-13
MSME	11	19	14

(Source: Central Statistics Office)

## 9. Findings

1. From all selected corporate sectors, the sectors like Electricity, Electrical machinery, other transport equipment and Micro, Small and Medium Enterprises Sector have produced positive trend during the selected duration.
2. Sector like Manufacturing, Motor vehicles (Capital Goods), private corporate sectors, eight core corporate sectors having diminishing scenario for its growth rate.
3. Sectors like Micro, Small and Medium Enterprises Sector and eight core corporate sectors have broader scope to perform in positive manner.
4. Eight core corporate sectors need immediate government assistance for not only development but also for sustainability.

## 10. Conclusion

Industrial progress of India witnessed remarkable growth especially since 1991. The present paper

indicates the growth of the Indian Industries in various sectors for the year 2012 to 2013 but it has been seen that major segment of Indian Industries have witnessed deceleration during the period due to recessionary phased running worldwide. Though some sectors like Electricity, Electrical machinery and other transport equipment and MSME have registered positive trends. In Manufacturing, Motor vehicles, private corporate sectors have witnessed negative trends. But yet there are ample sources for Indian Industries to come of this phase and can perform better than before.

### References

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