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‘Rising input cost, crude shave off corporate margins by 220 bps’

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RISING INPUT COSTS and crude prices have impacted India Inc's profitability in the September quarter despite good revenue growth, as operating margins declined by 2.20 percent, says a report.

The corporate sector has reported a revenue growth of 23.9% for the September quarter over the same period last year, domestic rating agency Icria said Monday, based on its analysis of 176 companies.

However, the operating margins got impacted by 2.20% compared to year ago

period and 0.70% when compared to the preceding quarter, its vice-president for corporate sector ratings Shamsher Dewan said. This was largely on a rise in energy and raw material costs as well as adverse impact of the Rupee's nearly 15% depreciation during the year, he explained.

Dewan said 21 of the 32 sectors analysed by the agency saw a decline in operating profit margins, adding airlines, cement and building materials were impacted by sharp increase in fuel prices, while auto, consumer durables, paints and print media were hurt by rising input costs.