

REPORT OF THE SUB-GROUP ON PRIVATE CORPORATE SECTOR SAVINGS – ELEVENTH FIVE YEAR PLAN, 2007-08 TO 2011-12

INTRODUCTION

The Working Group on Savings constituted for the Eleventh Five Year Plan (2007-2012), had set up the sub-group on Private Corporate Sector Savings to project the savings of the sector for the Eleventh Plan period. The composition of the Sub-group set up for the purpose is given in *Annex I*. The terms of the reference of the Sub-Group are set out as:

- i) To review the developments and likely behavioral pattern during the 11th Plan period;
- ii) To estimate the private corporate sector savings in light of the policy and structural changes in the financial sector;
- iii) To explain the procedure followed for estimation.

The estimates of gross domestic saving (GDS) for the Indian economy are compiled for three major institutional sectors, viz., public sector, private corporate sector and household sector. The private corporate sector comprises- (i) non-government non-financial companies, (ii) commercial banks and insurance companies working in private sector, (iii) co-operative banks, credit societies and non-credit societies, (iv) non-banking financial companies in the private sector and (v) quasi corporate bodies.

Saving is defined as the excess of current income over current expenditure. Net saving (NS) is defined as retained profits of private corporate business sector adjusted for non-operating surplus/ deficit. Retained profits are those which are ploughed back into business after making commitments to depreciation provision for various fixed assets, debts (in the form of interest payments), government (tax provisions) and to share-holders (dividends). Non-operating surplus/ deficit (NOP) comprises (a) profit/ loss on account of (i) sale of fixed assets, investments, etc., and (ii) revaluation/ devaluation of foreign currencies, (b) Provisions no longer required written back, (c) insurance claims realized and (d) income or expenditure relating to the previous years and such other items of non-current nature. Depreciation provision (DEPR) at book

value as provided in the profit/loss account is added to the net saving to obtain the gross saving (GS).

The Sub-group held its first meeting on August 24, 2006, at Reserve Bank of India (RBI), Mumbai and discussed methodologies to be adopted for projecting the savings of the sector for the 11th Plan period. A draft report was placed before the members in the second and final meeting of the Sub-Group held on October 26, 2006 at RBI, Mumbai. The Departmental of Statistical Analysis and Computer Services (DESACS), RBI, provided the secretarial support to the Sub-group. The Sub-group acknowledged with thanks the technical support and assistance rendered by Dr. K. S. Ramachandra Rao, Principal Adviser, Dr. Seema Saggar, Assistant Adviser, Dr. Abhiman Das, Assistant Adviser and Shri M.S. Adki, Research Officer of DESACS, RBI, Mumbai.

The Report is organized as follows. Section II presents the overall performance of the economy during the 10th Plan period, while Section III discusses the trends in the performance of non-financial corporate sector as seen through selected indicators, during 1991-92 to 2004-05. Section IV presents the assumptions made for projecting the savings of the sector. The methodology of estimates is given in Section V, while the last section presented the estimates of private corporate savings for the Eleventh Plan period.

II. Performance of the Economy during the Tenth Plan Period (2002-03 to 2006-07)

The economy is presently passing through the concluding year of the Tenth Five Year Plan. The performance indicators of the economy are fully available for the first three years (i.e. 2002-03 to 2004-05) and partly for the fourth year, 2005-06 of the Tenth Plan. The gross domestic product (GDP) at factor cost, at 1999-2000 prices, registered an average annual growth rate of 7.0 per cent during the first four years of the Plan. The growth rate was higher than that (5.5 per cent) registered for the Ninth Plan Period. The GDP at current market prices registered an annual growth rate of 11.6 per cent during 2002-03 to 2005-06 of the Tenth Plan Period. The average annual inflation rate was 4.94 per cent during the first four years period of the Plan Period, which was slightly higher than the inflation experienced in the Ninth Plan Period (4.88 per cent).

The gross saving rate (gross domestic saving as percentage of GDP at current market prices) averaged to 28.2 per cent in the first three years of the Tenth Plan, which had significantly increased from 23.3 per cent in the Ninth Plan Period. The saving of the private corporate sector accounted for about 15 percent of the GDS in the first two years of Tenth Plan Period, which had increased to 16.6 per cent in 2004-05.

Considering the constituents of the private corporate sector, the non-financial companies, on average, accounted for about 85 per cent of the gross saving of the sector during the period 1999-2000 to 2004-05. The financial companies, covering private banking and insurance companies, and non-banking financial companies accounted for about 4 per cent of the gross saving during the same period while the rest was accounted for by the cooperative banks and societies including a few quasi-corporate bodies whose share had steadily increased from 10 per cent in 1999-2000 to 13 per cent in 2001-02 but declined thereafter to reach 8 per cent in 2004-05. In terms of GDP at current market prices, on an average, the gross saving of the private corporate sector was about 4.4 per cent in the Ninth Plan, which increased to 4.8 per cent during the first three years of the Tenth Plan (Table 1).

As the non-financial private corporate sector constitutes the major part of the private corporate sector, trends in selected variables, such as sales, total expenditure, gross profits, profitability ratios of select non-financial companies are presented in the next Section.

III. Trends in selected variables in Private corporate sector

The growth of private corporate sector, as evidenced from the performance of the non-government non-financial public limited companies has 3 distinct phases during the post reform period. During the first phase (the period 1992-93 to 1995-96), both sales and gross profits went up markedly. The growth rate of sales increased from 12.1 per cent in 1992-93 to over 20 per cent during 1995-96 (Statement 1). Concomitantly, the growth of gross profits increased from 3.7 per cent in 1992-93 to 31.0 per cent in 1995-96 (Chart 1). The second phase (the period 1996-97 to 2001-02), on the other hand, is marked with subdued performance of the public limited companies. The growth of sales fell noticeably and growth of gross profits dipped to as low as -3.2 per cent in 1998-99. The third (or current) phase after 2001-02

observed a robust growth in both sales and gross profits of public limited companies. Depreciation also followed similar growth path of sales, roughly with one-year time lag. Such phases of growth fairly indicate the link between corporate performance and business cycles.

The ratio of manufacturing expenses to the value of production of the public limited companies during the post reform period remained firm in the range of 63-66 per cent (Chart 2). At the same time, gross profits to sales ratio hovered around 10-12 per cent (Chart 3). Since 2000-01, interest burden of these companies is continuously declining. During 2004-05, interest to gross profits ratio as well as interest to total expenditure ratio declined to historical low of 21.8 per cent and 2.8 per cent, respectively (Chart 4).

Debt-equity ratio of public limited companies recorded a significant decline from 99.5 per cent in 1991-92 to 52.7 per cent in 2004-05. Such decline is, however, more pronounced after 2001-02 (Statement 2). In terms of assets utilization, inventory to sales ratio also declined noticeably during the same period. The ratio of gross saving to gross capital formation of public limited companies increased remarkably during the post reform years. For example, the ratio of gross saving to gross capital formation increased from 44.3 per cent in 1991-92 to 113.4 per cent in 2000-01 and maintained over 100 per cent thereafter (Chart 6).

IV. Assumptions for the projection exercise for the 11th Plan

The estimates of gross savings of the private corporate sector have been projected by its constituents, viz., private non-financial companies, cooperative banks and societies (including quasi corporate bodies), private commercial banks and insurance and other financial companies (covering financial and investment companies) under various assumptions. However, across various components of private corporate sector, the projections are based on assumed trajectory of two important variables, viz., GDP growth and inflation rate. During the 11th plan period, we have assumed 4 alternatives growth rate of GDP at factor cost, at 1999-00 prices. These are 7.0 per cent, 8.0 per cent, 8.5 per cent and 9 per cent. During the same period, we have assumed two alternative scenarios of inflation at 4.5 per cent and 5 per cent. These

assumptions are roughly on the similar lines as proposed in the Approach Paper of the 11th Plan. Thus, we have 8 sets of alternative projections.

Recent developments indicate that the growth momentum of the economy is likely to continue during the 11th Plan period. *Albeit* the continuing signs of demand pressures, especially high credit growth, inflation remained benign. Stock markets stayed bullish with benchmark indices touching all time high. FII continued to make large investments in the stock market for the third successive year. The FDI component of FII is steadily growing and the future prospect of FDI growth is encouraging. As a result, the performance of private corporate sector has been impressive so far and it is expected that private corporate sector is poised to register a robust earnings during the 11th Plan period.

V. Methodology

In general, the estimates have been worked out separately for the constituents of the sector. In the process, regression and ratio approaches have been adopted for non-financial corporate sector, while past trends in growth and ratios have been adopted for financial sector. Methodology followed for projecting the savings of each of the major constituents of the private corporate sector is discussed below.

V.1. Commercial Banks, Insurance Companies, Cooperative Banks/Societies and Other Quasi-Corporate Bodies

In view of the small share of private commercial banks, cooperative banks/societies and other quasi-corporate bodies in gross savings of the private corporate sector, the estimates have been worked out based on past trends. Information on gross saving of these institutions, as per the latest data released by CSO for the period 1999-00 to 2004-05, formed the database for arriving at the projections for the 11th Plan Period. It is assumed that the gross savings of the private commercial banks and insurance companies would increase by 25 per cent and 30 per cent, annually (for the alternative growth rates of GDP at 7.0-8.0 per cent and 8.5-9.0 per cent) during the Plan Period. Corresponding depreciation for these institutions is also assumed to rise by 6 per cent and 7 per cent, respectively (Table 2). The gross savings and depreciation of cooperative banks and societies (including quasi-corporate bodies) are assumed to rise by 10 per cent each, annually during the 11th Plan period for the GDP growth of 7.0-

8.0 per cent. However, these are expected to grow by 15 per cent and 12 per cent, respectively, for both the GDP growth of 8.5 and 9.0 per cent.

V.2. Financial and Investment Companies

This component of the private corporate sector includes HDFC and other financial and investment companies. Based on the past trends, annual reports of HDFC and other companies, the main income of these companies is assumed to grow by 15 per cent each for the years 2005-06 and 2006-07. It is observed in the past that the retained profits-main income ratio varied in range of 3.5 to 20.4 per cent during 2001-02 to 2004-05. Assuming continued good performance in the next two years, the retained profits of these companies are assumed to form about 20 percent of main income for the years 2005-06 and 2006-07. Based on the growth in gross savings observed in the past in sample companies, the growth in savings is assumed at 20 per cent per annum for the GDP growth of 7.0-8.0 per cent and 25 per cent per annum for the GDP growth of 8.5-9.0 per cent during the 11th Plan period. Corresponding growth in depreciation is assumed to be 5 per cent and 6 per cent, respectively.

V.3. Non-Financial Companies

V.3.1. Regression Approach

Various factors determine the savings of private corporate sector. In general, investment tends to be higher in industry than in other sectors, due to the inherent capital intensity of the processes, which also means that a higher share of total value added is distributed to capital. These earnings in industry—if retained, are the core of private corporate saving. Empirical evidence across countries confirms a strong association between saving and investment on the one hand and the share of industry in GDP on the other hand. Loayza, Schmidt-Hebbel, and Servén (2000) and Kuijs (2006) provide an overview of empirical studies in this area in developed and developing countries.¹ Their own cross-country empirical work is among the richest in terms of the types of determinants considered. Based on their survey, they conclude that private sector savings are affected by:

¹ Kuijs Luis (2006): "How will China's Saving-Investment Evolve?", *World Bank Policy Research Working Paper*, 3958, July, World Bank.

Loayza, Norman, Klaus Schmidt-Hebbel and Luis Servén (2000): "What Drives Private Savings Across the World", *Review of Economics and Statistics*, May.

- The level of development (per capita income), with the positive influence of per capita income larger in developing countries;
- Economic growth, with much of the causation running from growth to saving;
- Fiscal policy, with its impact on national savings typically only partly offset by responses in private saving;
- Pension reform, with direct short-term effects depending on the financing of the transition deficits and long term effects likely dominated by labor market effects;
- Financial liberalization, with the impact on saving of interest liberalization mixed, but a strong effect from expanding the supply of credit to people that had been credit-constrained;
- Demographics, with an increase in the share of young and elderly dependents in the population tending to reduce private saving;
- Urbanization; as well as by foreign borrowing and foreign aid, and uncertainty.

It is expected that gross savings of the private (non-financial) corporate sector to be positively affected by the growth in GDP. In addition, the savings is expected to be negatively affected by the domestic credit to industry to GDP ratio. The private corporate savings is expected to be positively affected by the income (output) of manufacturing sectors in GDP. Foreign Direct Investment (FDI) also has an impact on the corporate performance as it eases financing constraints on domestic firms. Also, private corporate savings is typically influenced by cyclical factors arising from the performance of the economy.

Under regression approach, corporate savings of non-financial companies (as a per cent to GDP at market price) is regressed over a set of explanatory variables based on the data for the period 1970-71 to 2004-05. Among many alternatives, the following explanatory variables were chosen based on the economic importance against the trend path of corporate saving and also based on statistical diagnostics:

- a. GDP growth in real terms (per cent)
- b. Inflation based on wholesale price index (per cent)
- c. Output from manufacturing registered sector (per cent to GDP)
- d. Bank credit (domestic) to industry (per cent to GDP)
- e. Foreign direct investment, net inflows (per cent to GDP)

- f. A time dummy capturing the business cycle effect coinciding with the sales growth of the corporate sector.²

The model is estimated using both ordinary least square (OLS) and two-stage least square (2SLS) instrumental variable methods. For 2SLS method, it is assumed that bank credit and GDP growth as endogenous. Estimates of the coefficients under 2SLS method are presented in *Annex 2*. Final projections are based on 2SLS regression model. Besides the alternative scenarios assumed on growth rates of GDP and inflation rates, projected figures of other explanatory variables for the 11th Plan period are estimated using present trend and other indicators. It is also assumed that the annual growth of bank credit to industry during the 11th Plan period would be 25 per cent annually, while the income (output) of manufacturing (registered) sector and FDI would be around 50 per cent and 1.1 per cent of GDP, respectively.³

V.3.2. Ratio Approach

Under this approach, the trends observed in sales, and in certain ratios like profits before tax (PBT) to sales, tax provision to PBT, etc. in the recent past formed the guiding factors in assuming the ratios for the non-financial private corporate sector during the Plan period. Besides, various factors, such as the expectations for a better performance leading to higher retained profits to profits after tax (PAT), further rationalization of corporate tax rates have also been considered in projecting different parameters for the sector. At the first stage, growth in sales of non-financial corporate sector is projected based on a simple regression model (with explanatory variables as growth in GDP, and a business cycle dummy) covering period 1980-81 to 2004-05.⁴ The database on sales is based on the sample companies covered in the public and private limited non-financial companies published by DESACS, Reserve Bank of India. The regression equation used for estimating sales is presented in *Annex 2*. From the projected sales data, the profits before tax (PBT) is worked out based on PBT to sales ratio. Based on the trend observed in the recent past, the PBT-sales ratio is assumed to be 10 per cent for the Plan period. The tax provision to PBT ratio during 2003-04 and 2004-05 has been around 28 per cent and we expect same rate to persist

² The time dummy is defined as follows: It takes value 1 for all the years in (1976 1981), (1988 1991), (1995 1997), (2004 2008) and 2012. For remaining years, it is assumed to be 0.

³ In addition, it is also assumed that implicit incremental capital output ratio of the manufacturing sector to remain unchanged during the 11th Plan period.

during the Plan period. Similarly, we have assumed dividend- payout ratio to be around 35 per cent based on the past trend. The non-operating surplus in the year arising from the business transactions of the previous years, is assumed around 0.5 per cent of sales for the Plan period. In addition, we have assumed depreciation to sales ratio to be around 5 per cent through out the Plan period.

Based on the procedure described above, estimates of gross savings and depreciation of private non-financial corporate sector are worked out following regression and ratio approaches. In respect of components of private financial corporate sector, the estimates have been worked out for the Plan period based on the base data of 2004-05 provided by CSO and the assumptions stated above. Depreciation has been estimated based on the CSO estimate of 2004-05 and the projected sales for the Plan period.

VI Projections for the 11th Plan Period

Projected savings, based on the alternative scenarios, for each of the constituents of the private corporate sector are presented in Tables 3 and 4.

VI.1. Non-Financial Companies

VI.1.1. Regression Approach

Based on the regression approach, as mentioned earlier, gross savings of the non-financial companies were projected under eight alternative scenarios of GDP growth and inflation. As evident from the estimated regression coefficients, GDP growth has positive impact on private corporate savings. Based on these projections, the estimates of total gross saving of the non-financial corporate business sector during the 11th Plan period are placed in the range of Rs.11,37,686 crore, Rs.11,98,952 crore, Rs.12,30,315 crore and Rs.12,62,174 crore, under the assumption of inflation rate at 4.5 per cent and alternative growth rate in GDP at 7 per cent, 8 per cent, 8.5 per cent and 9 per cent, respectively; and Rs.11,46,974 crore, Rs.12,08,219 crore, Rs.12,39,574 crore and Rs.12,71,427 crore, respectively, under the assumption of inflation rate at 5.0 per cent and the four alternative growth rate of GDP. In terms of GDP at current market prices, average savings rates of the non-financial corporate business sector are projected to vary from 4.02 per cent to 4.24 per cent, depending on the assumptions on GDP growth and inflation. Average depreciation (as a per cent to

⁴ Attempt was, however, not made to estimate separately the sales of growth-oriented companies, vis-à-

GDP at current market prices) is projected around 3.23-3.29 per cent during the Plan period (Table 3).

VI.1.2. Ratio Approach

Under ratio approach, the estimates of total gross saving of the non-financial corporate business sector during the 11th Plan period are placed in the range of Rs.12,84,280 crore, Rs.13,29,343 crore, Rs.13,52,395 crore and Rs.13,75,800 crore, under the assumption of inflation rate at 4.5 per cent and Rs.13,28,270 crore, Rs.13,74,719 crore, Rs.13,98,476 crore and Rs.14,22,594 crore, respectively, under the assumption of inflation rate at 5.0 per cent and the four alternative growth rate of GDP. In terms of GDP at current market prices, average savings rates of the non-financial corporate business sector under this approach are projected to range between 4.60 per cent and 4.73 per cent, depending on the assumptions on GDP growth and inflation (Table 4).

VI.2. Commercial Banks, Insurance Companies, Cooperative Banks/Societies and Other Quasi-Corporate Bodies and Non-Banking Financial Companies

The private banks and private insurance companies are expected to increase their operations during the Plan period, particularly by the insurance companies, due to entry of new insurance companies. The gross savings of these companies under the alternative scenarios of GDP growth between 7.0-8.0 per cent and 8.5-9.0 per cent are projected to vary from Rs.85,827 crore to Rs.98,354 crore, respectively. Under similar assumptions, the gross savings of cooperative banks/societies and quasi corporate bodies are projected at Rs.97,362 crore and Rs.11,24,12 crore, respectively. In the case of non-banking financial companies, total savings for the Plan period is projected at Rs.69,312 crore and Rs.79,627 crore under the alternative scenarios of GDP growth between 7.0-8.0 per cent and 8.5-9.0 per cent, respectively .

VI.4. Private Corporate Sector

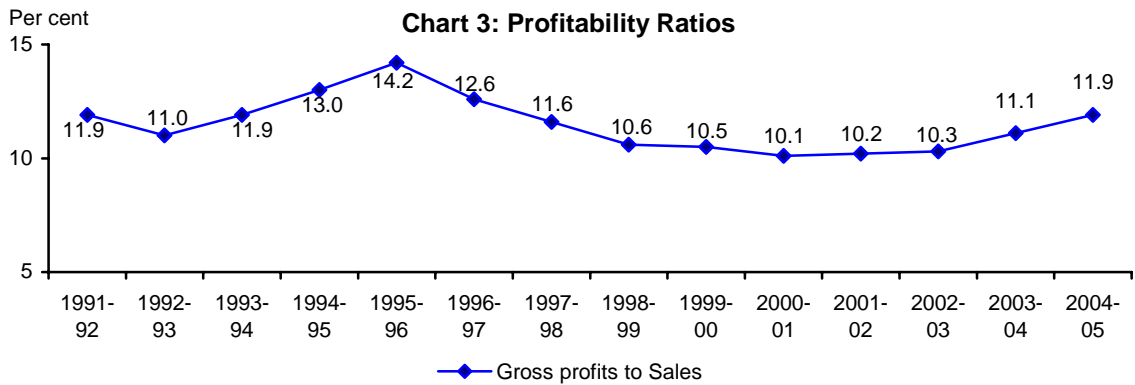
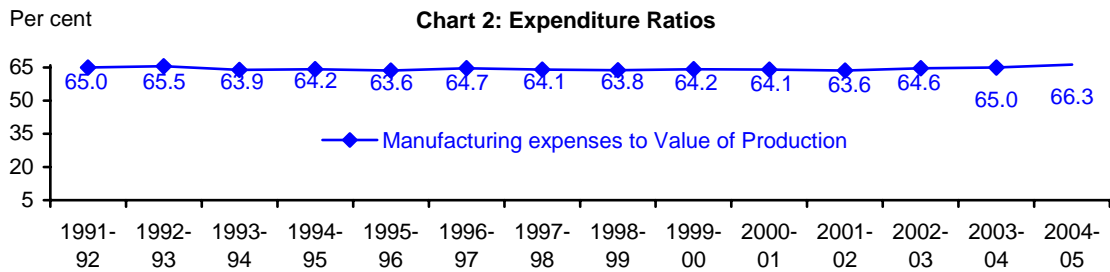
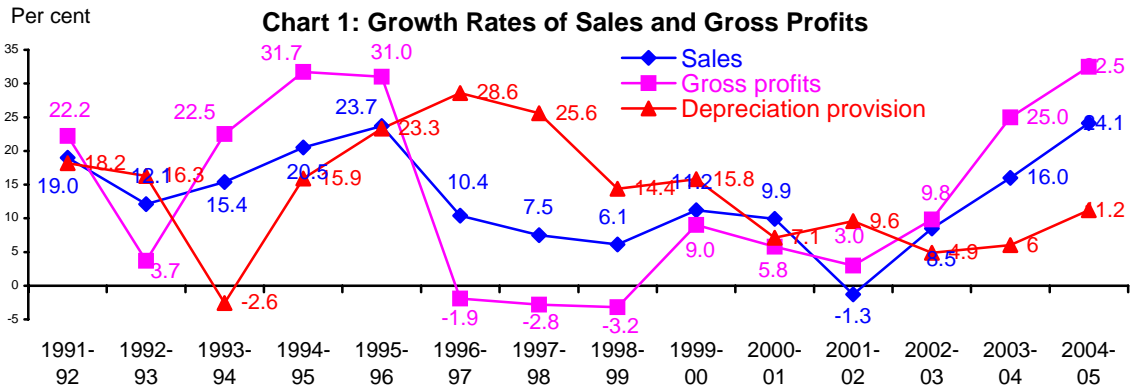
Based on the regression approach, the gross saving of the private corporate sector for the years 2005-06 and 2006-07 is estimated to be Rs.1,86,995 crore (5.29 per cent of GDP at current market price) and Rs.2,09,441 crore (5.25 per cent of GDP at current market price), respectively (Table 5). On the other hand, the gross saving of the private corporate sector for the years 2005-06 and 2006-07 based on ratio approach is

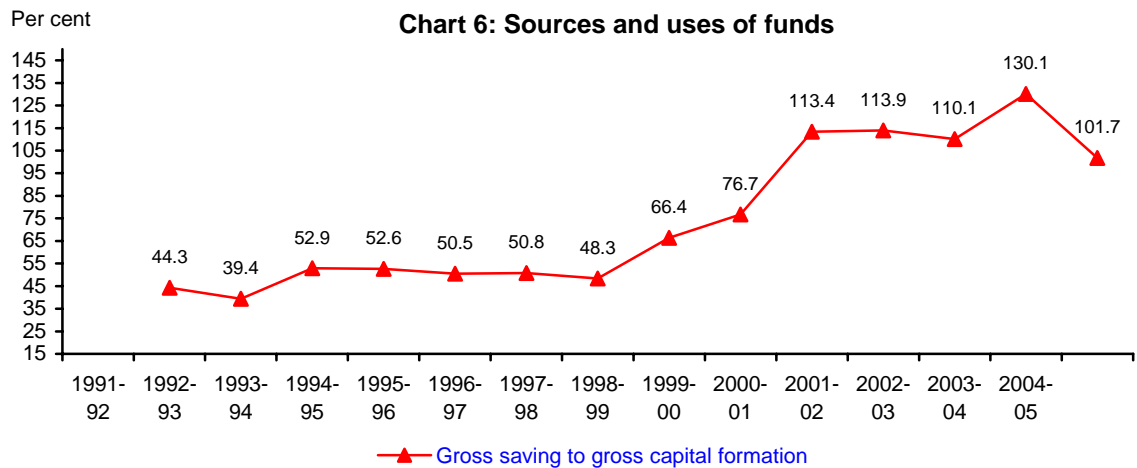
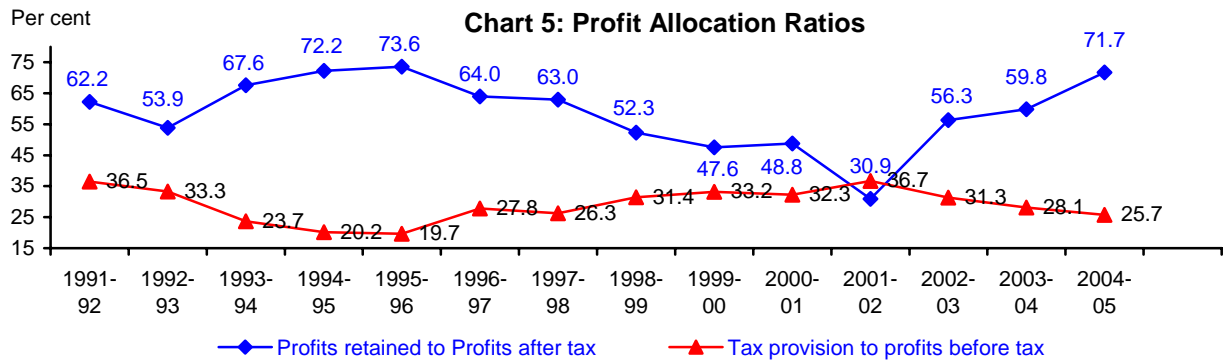
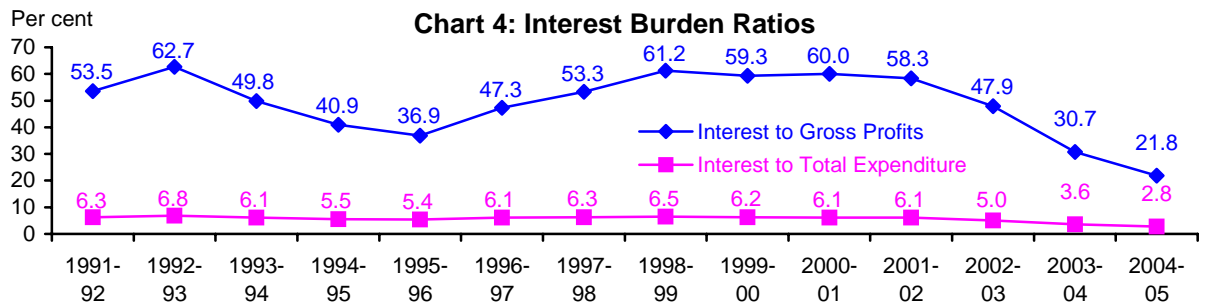
vis mature companies.

estimated to be Rs.1,87,897 crore (5.32 per cent of GDP at current market price) and Rs.2,17,975 crore (5.46 per cent of GDP at current market price).

For the 11th Plan period, the gross saving of the private corporate sector has been projected (under regression approach) around Rs.13,90,187 crore, Rs.14,51,453 crore, Rs.15,20,708 crore and Rs.15,52,567 crore under the assumptions that GDP would grow by 7 per cent, 8 per cent, 8.5 per cent and 9 per cent, respectively and annual inflation of 4.5 per cent. With similar assumptions of GDP growth rates and inflation of 5 per cent, gross saving of the private corporate sector (under regression approach) has been projected around Rs.13,99,475 crore, Rs.14,60,720 crore, Rs.15,29,967 crore and Rs.15,61,820 crore, respectively. Under ratio approach, the estimates of total gross saving of the private corporate sector during the 11th Plan period are placed in the range of Rs.15,36,781 crore, Rs.15,81,844 crore, Rs.16,42,788 crore and Rs.16,66,193 crore, under the assumption of inflation rate at 4.5 per cent and Rs.15,80,771 crore, Rs.16,27,220 crore, Rs.16,88,869 crore and Rs.17,12,987 crore, respectively, under the assumption of inflation rate at 5.0 per cent and the four alternative growth rate of GDP. In terms of GDP at current market prices, gross savings of the private corporate sector is projected in the range of 4.92 to 5.19 under regression approach and 5.49 to 5.68 under ratio approach (Table 6).

Based on the likely GDP growth and inflation scenario, the Sub-group projects the gross savings of the private corporate sector to be around 5.67 per cent (in terms of GDP at current market prices) during the 11th Plan period.





Annex 1

Members of the Sub-Group

- | | |
|--|----------|
| 1. Dr. R.B. Barman
Executive Director, RBI,
Mumbai. | Convenor |
| 2. Dr. Ramesh Kolli,
DDG, CSO, New Delhi | Member |
| 3. Shri Rohit Sarkar
Consultant, Planning Commission | Member |
| 4. Shri M. C. Singhi
Adviser, Dept. of Eco. Affairs,
Ministry of Finance, Govt. of India | Member |
| 5. Dr. Joseph Abraham
Economic Adviser,
Ministry of Company Affairs,
Govt. of India | Member |
| 6. Dr. Ajay Shah
Consultant, IGIDR, Mumbai | Member |
| 7. Dr. Subir Gokarn
Executive Director & Chief Economist
CRIGIL, New Delhi. | Member |
| 8. Dr. B.K. Bhoi
Economic Adviser, SEBI, Mumbai | Member |
| 9. Dr. Mahesh Vyas
CEO & Director, CMIE,
Mumbai. | Member |

Annex 2

Regression results for Non-Financial Private Corporate Sector Saving - Regression Approach

Independent variables	2SLS (IV)	
	Estimate	Standard Error
Intercept	-0.9986	0.8832
Real GDP growth (%)	0.0328	0.0408
Banks' credit to industry (% to GDP)	-0.0238	0.1246
Output of manufacturing, registered (% to GDP)	0.0435**	0.0214
WPI Inflation	0.0145	0.0143
FDI inflow (% to GDP)	1.1043*	0.5039
Business cycle time dummy	0.0838	0.1556
Non-financial private corporate sector savings (lagged)	0.4454*	0.2031
No. of observations		32
Adjusted R-squared		0.8735
D-W statistic		2.2842
First-order autocorrelation		-0.1592

Estimated Regression Equation for Projecting Sales Growth - Ratio Approach

(Sales Growth) = $-0.04693 + 1.20173^* \times (\text{GDP Growth}) + 0.05504^{**} \times (\text{Business Cycle Time Dummy})$

No. of observations = 24

Adjusted R-Squared = 0.2983

D-W Statistic = 1.478

First-order autocorrelation = 0.168

* and ** represent significant at 5% and 10% level, respectively.

Statement 1: Growth Rates of Selected Items - Non-Government Non-financial Public Limited Companies - All Companies														
ITEM	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Number of companies</i>	1802	1802	1720	1720	1930	1930	1848	1848	1927	1927	2031	2031	2214	2214
1. Sales \$	19.0	12.1	15.4	20.5	23.7	10.4	7.5	6.1	11.2	9.9	-1.3	8.5	16.0	24.1
2. Value of production	19.4	12.3	12.7	22.1	24.5	8.8	8.8	5.2	12.0	9.7	-2.2	10.0	15.3	24.6
3. Total Income	19.1	12.9	12.5	22.9	24.2	8.6	8.9	5.5	12.1	9.5	-3.5	10.9	15.7	23.8
4. Manufacturing expenses	19.1	13.2	10.0	22.7	24.7	10.6	8.1	4.7	12.9	9.6	-7.0	11.7	15.8	27.1
5. Remuneration to employees	13.3	12.6	13.8	13.9	19.7	11.9	13.3	11.1	7.9	9.0	8.3	9.1	13.9	16.3
6. Depreciation provision	18.2	16.3	-2.6	15.9	23.3	28.6	25.6	14.4	15.8	7.1	9.6	4.9	6.0	11.2
7. Gross profits	22.2	3.7	22.5	31.7	31.0	-1.9	-2.8	-3.2	9.0	5.8	3.0	9.8	25.0	32.5
8. Interest	28.7	21.6	3.1	8.1	25.0	25.7	12.5	11.1	6.7	7.1	-5.1	-9.8	-11.9	-5.8
9. Operating profits	15.5	-16.9	50.5	55.2	34.7	-18.0	-15.8	-19.5	12.5	4.0	16.8	37.3	53.5	49.5
10. Non-operating surplus/deficit	25.3	48.9	61.4	38.9	-30.6	-22.3	31.5	25.8	43.1	20.0	#	#	103.9	-1.5
11. Profits before tax	16.5	-9.8	52.3	52.3	25.9	-18.3	-12.9	-15.2	16.7	6.7	-9.7	62.6	55.9	46.3
12. Tax provision	39.3	-18.0	16.3	29.9	34.9	15.2	-10.4	0.9	21.0	3.6	8.7	39.0	46.7	33.6
13. Profits after tax	6.5	-5.1	68.6	59.2	23.9	-26.6	-13.7	-20.9	14.7	8.3	-17.8	76.2	59.8	51.2
14. Dividends	13.5	16.1	39.7	36.8	20.6	0.4	-2.6	1.7	15.9	5.9	12.2	11.4	43.9	6.4
15. Profits retained	2.7	-17.9	87.1	70.0	25.1	-36.2	-19.1	-34.3	13.4	10.9	-48.5	220.7	72.7	81.4
16. Gross saving	11.9	3.7	29.0	43.5	24.4	-12.0	3.9	-4.0	15.2	8.0	-4.3	32.7	27.3	41.7
17. (a) Gross value added	17.7	8.7	14.8	21.2	24.5	7.4	7.7	5.7	9.3	8.3	7.5	9.0	16.7	23.8
(b) Net value added	17.6	7.2	18.5	22.1	24.7	3.9	4.1	3.6	7.6	8.6	6.9	10.2	19.7	26.8
18. Total borrowings@	25.1	19.4	13.1	20.5	20.1	20.4	18.7	10.7	5.1	2.0	1.5	0.3	6.0	7.7
Of which, from banks@	15.6	19.3	-3.4	30.8	36.8	14.9	13.8	9.7	6.4	3.8	10.8	16.6	17.5	14.1
19. Trade dues and other current liabilities@	24.6	12.4	18.6	20.4	20.9	8.9	10.3	11.0	9.5	7.2	4.6	11.1	12.8	15.5
20. (a) Gross fixed assets@	19.2	17.9	18.7	18.5	21.8	18.1	17.4	10.7	8.1	5.3	6.2	5.5	6.2	10.0
(b) Net fixed assets@	20.7	18.9	22.3	21.0	24.2	18.3	16.6	8.1	4.6	1.2	2.1	0.6	2.6	8.6
21. Inventories@	16.0	17.2	5.1	20.4	20.6	5.0	6.1	1.2	8.5	6.8	-1.2	10.8	8.9	17.6
22. Total net assets@	22.0	18.6	21.0	26.2	20.9	14.1	12.7	8.9	7.2	4.4	3.4	5.0	9.7	14.4
\$ Net of 'rebates and discounts' and 'excise duty and cess'.														
# Numerator or Denominator negative.														

@ Adjusted for revaluation, amalgamation, etc.

- Nil or negligible.

Table 1: Estimates of Gross Saving of Private Corporate Sector (PCS) by Type of Institution									
									(Rs. crore)
					Share				
		Non-Financial	Financial	Cooperatives & Others	Total	Non-Financial	Financial	Cooperatives & Others	
1993-94 series	Eighth Plan								
	1992-93	17445	1713	810	19968	87.36	8.58	4.06	748367
		(2.33)	(0.23)	(0.11)	(2.67)				
	1993-94	25595	2842	1429	29866	85.70	9.52	4.78	859220
		(2.98)	(0.33)	(0.17)	(3.48)				
	1994-95	28137	4984	2139	35260	79.80	14.13	6.07	1012770
		(2.78)	(0.49)	(0.21)	(3.48)				
	1995-96	48070	8108	2364	58542	82.11	13.85	4.04	1188012
		(4.05)	(0.68)	(0.20)	(4.93)				
	1996-97	53158	5887	2047	61092	87.01	9.64	3.35	1368208
		(3.89)	(0.43)	(0.15)	(4.47)				
	Ninth plan								
	1997-98	54178	6768	2540	63486	85.34	10.66	4.00	1522547
		(3.56)	(0.44)	(0.17)	(4.17)				
	1998-99	55496	6676	2854	65026	85.34	10.27	4.39	1740985
		(3.19)	(0.38)	(0.16)	(3.74)				
1999-2000 series *	1999-2000	71337	6777	9120	87234	81.78	7.77	10.45	1958814
		(3.64)	(0.35)	(0.47)	(4.45)				
	2000-01	76951	-295	10361	87017	88.43	-0.34	11.91	2107661
		(3.65)	-(0.01)	(0.49)	(4.13)				
	2001-02	66241	3756	11672	81669	81.11	4.60	14.29	2281305
		(2.90)	(0.16)	(0.51)	(3.58)				
	Tenth Plan								
	2002-03	82432	4384	12951	99767	82.62	4.39	12.98	2449736
		(3.36)	(0.18)	(0.53)	(4.07)				
	2003-04	102427	5996	12429	120852	84.75	4.96	10.28	2760224
		(3.71)	(0.22)	(0.45)	(4.38)				
	2004-05	131598	6686	12663	150947	87.18	4.43	8.39	3121828
		(4.22)	(0.21)	(0.41)	(4.84)				
* Data on reinvested earnings have been adjusted in non-financial companies as reported since 1999-2000.									
Note: Figures in bracket indicate gross savings of private corporate sector as percentage to GDPMPN.									

Table 2: Assumptions on Growth Rates of Constituents of Private Corporate Sector for Projection of Savings/Depreciation for the 11th Plan Period				
Constituents	Under alternative GDP Growth rates of			
	7 per cent	8 per cent	8.5 per cent	9 per cent
1. Commercial Banks, Insurance Companies				
a. Gross savings	25 per cent	25 per cent	30 per cent	30 per cent
b. Depreciation	6 per cent	6 per cent	7 per cent	7 per cent
2. Cooperative Banks/Societies and Other Quasi-Corporate Bodies				
a. Gross savings	10 per cent	10 per cent	15 per cent	15 per cent
b. Depreciation	10 per cent	10 per cent	12 per cent	12 per cent
3. Financial and Investment Companies				
a. Gross savings	20 per cent	20 per cent	25 per cent	25 per cent
b. Depreciation	5 per cent	5 per cent	6 per cent	6 per cent

Table 3: Projection of Saving of Private Corporate Sector for the 11th Plan Period (2007-08 to 2011-12) - Regression approach																
															(Rs. crore)	Average
Scenario 1: GDP growth rate at 7 per cent																
															Percent to GDP	Average
															Level	for the 11th
	2007-08	2008-09	2009-10	2010-11	2011-12	Total	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Period
Inflation: 4.5 per cent																
Gross Saving	223688	246437	273111	303468	343483	1390187	4.38	4.84	5.29	5.25	5.01	4.93	4.88	4.85	4.91	4.92
a. Private Non-financial Companies	187968	204646	224062	245722	275288	1137686	3.71	4.22	4.45	4.40	4.21	4.09	4.00	3.91	3.91	4.02
b. Non-Banking financial Companies	9314	11177	13412	16095	19314	69312	0.14	0.15	0.27	0.28	0.21	0.23	0.24	0.26	0.28	0.24
c. Commercial Banks and Insurance Companies	10458	13072	16340	20425	25532	85827	0.08	0.06	0.19	0.21	0.24	0.26	0.30	0.33	0.37	0.30
d. Cooperative Banks/Societies and Quasi corporate Bodies	15948	17542	19297	21226	23349	97362	0.45	0.41	0.38	0.36	0.36	0.35	0.35	0.34	0.34	0.35
Depreciation	158294	168394	183647	200285	218435	929055	3.33	3.36	4.14	4.26	3.56	3.39	3.32	3.25	3.18	3.34
a. Private Non-financial Companies	151252	160780	175412	191374	208789	887607	3.13	3.19	3.97	4.10	3.40	3.24	3.17	3.10	3.04	3.19
b. Non-Banking financial Companies	1273	1337	1404	1474	1548	7036	0.05	0.04	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.03
c. Commercial Banks and Insurance Companies	1730	1834	1944	2061	2185	9754	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.04
d. Cooperative Banks/Societies and Quasi corporate Bodies	4039	4443	4887	5376	5913	24658	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Inflation: 5 per cent																
Gross Saving	224597	247712	274842	305781	346543	1399475	4.38	4.84	5.29	5.25	5.03	4.95	4.90	4.87	4.93	4.93
a. Private Non-financial Companies	188877	205921	225793	248035	278348	1146974	3.71	4.22	4.45	4.40	4.23	4.11	4.03	3.95	3.96	4.06
b. Non-Banking financial Companies	9314	11177	13412	16095	19314	69312	0.14	0.15	0.27	0.28	0.21	0.22	0.24	0.26	0.27	0.24
c. Commercial Banks and Insurance Companies	10458	13072	16340	20425	25532	85827	0.08	0.06	0.19	0.21	0.23	0.26	0.29	0.33	0.36	0.29
d. Cooperative Banks/Societies and Quasi corporate Bodies	15948	17542	19297	21226	23349	97362	0.45	0.41	0.38	0.36	0.36	0.35	0.34	0.34	0.33	0.34
Depreciation	159882	170999	187469	205531	225338	949218	3.33	3.36	4.14	4.26	3.58	3.42	3.34	3.27	3.20	3.36
a. Private Non-financial Companies	152840	163385	179234	196620	215692	907770	3.13	3.19	3.97	4.10	3.42	3.26	3.20	3.13	3.07	3.22
b. Non-Banking financial Companies	1273	1337	1404	1474	1548	7036	0.05	0.04	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.03
c. Commercial Banks and Insurance Companies	1730	1834	1944	2061	2185	9754	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks/Societies and Quasi corporate Bodies	4039	4443	4887	5376	5913	24658	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.08	0.09
Note: Only the estimates for the 11th Plan Period is based on the assumption given in scenario.																
Table 3: Projection of Saving of Private Corporate Sector for the 11th Plan Period (2007-08 to 2011-12) - Regression approach (contd.)																
															(Rs. crore)	Average
Scenario 2: GDP growth rate at 8 per cent																
															Percent to GDP	Average
															Level	for the 11th
	2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Period
Inflation: 4.5 per cent																
Gross Saving	228559	254314	284575	319255	364751	1451453	4.38	4.84	5.29	5.25	5.07	5.00	4.95	4.92	4.98	4.99
a. Private Non-financial Companies	192839	212523	235526	261509	296556	1198952	3.71	4.22	4.45	4.40	4.28	4.17	4.09	4.02	4.03	4.12
b. Non-Banking financial Companies	9314	11177	13412	16095	19314	69312	0.14	0.15	0.27	0.28	0.21	0.22	0.24	0.25	0.27	0.24
c. Commercial Banks and Insurance Companies	10458	13072	16340	20425	25532	85827	0.08	0.06	0.19	0.21	0.23	0.26	0.29	0.32	0.36	0.29
d. Cooperative Banks/Societies and Quasi corporate Bodies	15948	17542	19297	21226	23349	97362	0.45	0.41	0.38	0.36	0.36	0.35	0.34	0.33	0.32	0.34
Depreciation	161478	173632	191353	210891	232429	969784	3.33	3.36	4.14	4.26	3.60	3.44	3.37	3.30	3.23	3.39
a. Private Non-financial Companies	154436	166018	183118	201980	222783	928336	3.13	3.19	3.97	4.10	3.44	3.29	3.22	3.16	3.10	3.24
b. Non-Banking financial Companies	1273	1337	1404	1474	1548	7036	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
c. Commercial Banks and Insurance Companies	1730	1834	1944	2061	2185	9754	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks/Societies and Quasi corporate Bodies	4039	4443	4887	5376	5913	24658	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.09
Inflation: 5 per cent																
Gross Saving	229463	255585	286303	321565	367805	1460720	4.38	4.84	5.29	5.25	5.09	5.02	4.97	4.94	5.00	5.00
a. Private Non-financial Companies	193743	213794	237254	263819	299610	1208219	3.71	4.22	4.45	4.40	4.30	4.20	4.12	4.05	4.08	4.15

b. Non-Banking financial Companies	9314	11177	13412	16095	19314	69312	0.14	0.15	0.27	0.28	0.21	0.22	0.23	0.25	0.26	0.23
c. Commercial Banks and Insurance Companies	10458	13072	16340	20425	25532	85827	0.08	0.06	0.19	0.21	0.23	0.26	0.28	0.31	0.35	0.29
d. Cooperative Banks/Societies and Quasi corporate Bodies	15948	17542	19297	21226	23349	97362	0.45	0.41	0.38	0.36	0.35	0.34	0.34	0.33	0.32	0.34
Depreciation	163082	176294	195301	216367	239714	990758	3.33	3.36	4.14	4.26	3.62	3.46	3.39	3.33	3.26	3.41
a. Private Non-financial Companies	156040	168680	187066	207456	230068	949310	3.13	3.19	3.97	4.10	3.46	3.31	3.25	3.19	3.13	3.27
b. Non-Banking financial Companies	1273	1337	1404	1474	1548	7036	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
c. Commercial Banks and Insurance Companies	1730	1834	1944	2061	2185	9754	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks/Societies and Quasi corporate Bodies	4039	4443	4887	5376	5913	24658	0.09	0.10	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08

Note: Only the estimates for the 11th Plan Period is based on the assumption given in scenario.

Table 3: Projection of Saving of Private Corporate Sector for the 11th Plan Period (2007-08 to 2011-12) - Regression approach (contd.)

																(Rs. crore)															
Scenario 3: GDP growth rate at 8.5 per cent																	Average														
																Percent to GDP		Average													
																2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	for the 11th
																2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Period
Inflation: 4.5 per cent																															
Gross Saving	232537	261949	296959	337812	391451	1520708	4.38	4.84	5.29	5.25	5.14	5.10	5.10	5.12	5.23	5.14															
a. Private Non-financial Companies	195286	216509	241369	269610	307541	1230315	3.71	4.22	4.45	4.40	4.31	4.21	4.14	4.07	4.09	4.16															
b. Non-Banking financial Companies	9702	12128	15160	18950	23687	79627	0.14	0.15	0.27	0.28	0.22	0.24	0.26	0.29	0.32	0.27															
c. Commercial Banks and Insurance Companies	10876	14139	18381	23895	31063	98354	0.08	0.06	0.19	0.21	0.24	0.28	0.32	0.37	0.42	0.33															
d. Cooperative Banks/Societies and Quasi corporate Bodies	16673	19173	22049	25357	29160	112412	0.45	0.41	0.38	0.36	0.37	0.38	0.38	0.39	0.40	0.38															
Depreciation	163185	176518	195668	216904	240452	992727	3.33	3.36	4.14	4.26	3.62	3.46	3.40	3.33	3.27	3.42															
a. Private Non-financial Companies	156040	168680	187066	207456	230068	949310	3.13	3.19	3.97	4.10	3.46	3.31	3.25	3.19	3.13	3.27															
b. Non-Banking financial Companies	1286	1363	1444	1531	1623	7247	0.05	0.04	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.03															
c. Commercial Banks and Insurance Companies	1747	1869	2000	2140	2290	10046	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03															
d. Cooperative Banks/Societies and Quasi corporate Bodies	4112	4606	5158	5777	6471	26124	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09															
Inflation: 5 per cent																															
Gross Saving	233439	263218	298685	340120	394504	1529967	4.38	4.84	5.29	5.25	5.15	5.12	5.12	5.14	5.25	5.16															
a. Private Non-financial Companies	196188	217778	243095	271918	310594	1239574	3.71	4.22	4.45	4.40	4.33	4.24	4.17	4.11	4.13	4.19															
b. Non-Banking financial Companies	9702	12128	15160	18950	23687	79627	0.14	0.15	0.27	0.28	0.21	0.24	0.26	0.29	0.32	0.26															
c. Commercial Banks and Insurance Companies	10876	14139	18381	23895	31063	98354	0.08	0.06	0.19	0.21	0.24	0.28	0.32	0.36	0.41	0.32															
d. Cooperative Banks/Societies and Quasi corporate Bodies	16673	19173	22049	25357	29160	112412	0.45	0.41	0.38	0.36	0.37	0.37	0.38	0.38	0.39	0.38															
Depreciation	164798	179207	199678	222498	247935	1014116	3.33	3.36	4.14	4.26	3.64	3.49	3.42	3.36	3.30	3.44															
a. Private Non-financial Companies	157653	171369	191076	213050	237551	970699	3.13	3.19	3.97	4.10	3.48	3.33	3.27	3.22	3.16	3.29															
b. Non-Banking financial Companies	1286	1363	1444	1531	1623	7247	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02															
c. Commercial Banks and Insurance Companies	1747	1869	2000	2140	2290	10046	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03															
d. Cooperative Banks/Societies and Quasi corporate Bodies	4112	4606	5158	5777	6471	26124	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09															

Note: Only the estimates for the 11th Plan Period is based on the assumption given in scenario.

Table 3: Projection of Saving of Private Corporate Sector for the 11th Plan Period (2007-08 to 2011-12) - Regression approach (conclud.)

																(Rs. crore)															
Scenario 4: GDP growth rate at 9.0 per cent																	Average														
																Percent to GDP		Average													
																2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	for the 11th
																2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Period
Inflation: 4.5 per cent																															

Gross Saving	234992	265968	302876	346053	402677	1552567	4.38	4.84	5.29	5.25	5.17	5.14	5.14	5.15	5.27	5.17
a. Private Non-financial Companies	197741	220528	247286	277851	318767	1262174	3.71	4.22	4.45	4.40	4.35	4.25	4.18	4.12	4.15	4.21
b. Non-Banking financial Companies	9702	12128	15160	18950	23687	79627	0.14	0.15	0.27	0.28	0.21	0.24	0.26	0.29	0.32	0.26
c. Commercial Banks and Insurance Companies	10876	14139	18381	23895	31063	98354	0.08	0.06	0.19	0.21	0.24	0.28	0.32	0.36	0.41	0.32
d. Cooperative Banks and Societies	16673	19173	22049	25357	29160	112412	0.45	0.41	0.38	0.36	0.37	0.37	0.38	0.38	0.39	0.38
Depreciation	164798	179207	199678	222498	247935	1014116	3.33	3.36	4.14	4.26	3.64	3.49	3.42	3.36	3.30	3.44
a. Private Non-financial Companies	157653	171369	191076	213050	237551	970699	3.13	3.19	3.97	4.10	3.48	3.33	3.27	3.22	3.16	3.29
b. Non-Banking financial Companies	1286	1363	1444	1531	1623	7247	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
c. Commercial Banks and Insurance Companies	1747	1869	2000	2140	2290	10046	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks and Societies	4112	4606	5158	5777	6471	26124	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
<i>Inflation: 5 per cent</i>																
Gross Saving	235893	267236	304601	348361	405729	1561820	4.38	4.84	5.29	5.25	5.19	5.15	5.15	5.17	5.28	5.19
a. Private Non-financial Companies	198642	221796	249011	280159	321819	1271427	3.71	4.22	4.45	4.40	4.37	4.28	4.21	4.16	4.19	4.24
b. Non-Banking financial Companies	9702	12128	15160	18950	23687	79627	0.14	0.15	0.27	0.28	0.21	0.23	0.26	0.28	0.31	0.26
c. Commercial Banks and Insurance Companies	10876	14139	18381	23895	31063	98354	0.08	0.06	0.19	0.21	0.24	0.27	0.31	0.35	0.40	0.32
d. Cooperative Banks and Societies	16673	19173	22049	25357	29160	112412	0.45	0.41	0.38	0.36	0.37	0.37	0.37	0.38	0.38	0.37
Depreciation	166419	181925	203753	228212	255619	1035929	3.33	3.36	4.14	4.26	3.66	3.51	3.45	3.39	3.33	3.47
a. Private Non-financial Companies	159274	174087	195151	218764	245235	992512	3.13	3.19	3.97	4.10	3.50	3.36	3.30	3.25	3.19	3.32
b. Non-Banking financial Companies	1286	1363	1444	1531	1623	7247	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
c. Commercial Banks and Insurance Companies	1747	1869	2000	2140	2290	10046	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks and Societies	4112	4606	5158	5777	6471	26124	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.08	0.09
Note: Only the estimates for the 11th Plan Period is based on the assumption given in scenario.																

Note: Only the estimates for the 11th Plan Period is based on the assumption given in scenario.																
Table 4: Projection of Saving of Private Corporate Sector for the 11th Plan Period (2007-08 to 2011-12) - Ratio approach (concl'd.)																
															(Rs. crore)	
Scenario 4: GDP growth rate at 9 per cent																
Average																
Level																
	2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	Percent to GDP			for the 11th		
	2007-08	2008-09	2009-10	2010-11	2011-12	Total	2002-03	2003-04	2004-05	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Period
Inflation: 4.5 per cent																
Gross Saving	256513	283750	321378	364637	439915	1666193	4.38	4.84	5.32	5.45	5.66	5.52	5.51	5.51	5.85	5.61
a. Private Non-financial Companies	219262	238310	265788	296435	356005	1375800	3.71	4.22	4.56	4.69	4.84	4.64	4.56	4.48	4.74	4.65
b. Non-Banking financial Companies	9702	12128	15160	18950	23687	79627	0.14	0.15	0.19	0.19	0.21	0.24	0.26	0.29	0.32	0.26
c. Commercial Banks and Insurance Companies	10876	14139	18381	23895	31063	98354	0.08	0.06	0.19	0.21	0.24	0.28	0.32	0.36	0.41	0.32
d. Cooperative Banks/Societies and Quasi corporate Bodies	16673	19173	22049	25357	29160	112412	0.45	0.41	0.38	0.36	0.37	0.37	0.38	0.38	0.39	0.38
Depreciation	164798	179207	199678	222498	247935	1014116	3.33	3.36	4.14	4.26	3.64	3.49	3.42	3.36	3.30	3.44
a. Private Non-financial Companies	157653	171369	191076	213050	237551	970699	3.13	3.19	3.97	4.10	3.48	3.33	3.27	3.22	3.16	3.29
b. Non-Banking financial Companies	1286	1363	1444	1531	1623	7247	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
c. Commercial Banks and Insurance Companies	1747	1869	2000	2140	2290	10046	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks/Societies and Quasi corporate Bodies	4112	4606	5158	5777	6471	26124	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Inflation: 5 per cent																
Gross Saving	257639	286264	325629	385863	457592	1712987	4.38	4.84	5.32	5.45	5.66	5.52	5.51	5.73	5.96	5.67
a. Private Non-financial Companies	220388	240824	270039	317661	373682	1422594	3.71	4.22	4.56	4.69	4.84	4.64	4.57	4.71	4.86	4.73
b. Non-Banking financial Companies	9702	12128	15160	18950	23687	79627	0.14	0.15	0.19	0.19	0.21	0.23	0.26	0.28	0.31	0.26
c. Commercial Banks and Insurance Companies	10876	14139	18381	23895	31063	98354	0.08	0.06	0.19	0.21	0.24	0.27	0.31	0.35	0.40	0.32
d. Cooperative Banks/Societies and Quasi corporate Bodies	16673	19173	22049	25357	29160	112412	0.45	0.41	0.38	0.36	0.37	0.37	0.37	0.38	0.38	0.37
Depreciation	166419	181925	203753	228212	255619	1035929	3.33	3.36	4.14	4.26	3.66	3.51	3.45	3.39	3.33	3.47
a. Private Non-financial Companies	159274	174087	195151	218764	245235	992512	3.13	3.19	3.97	4.10	3.50	3.36	3.30	3.25	3.19	3.32
b. Non-Banking financial Companies	1286	1363	1444	1531	1623	7247	0.05	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02
c. Commercial Banks and Insurance Companies	1747	1869	2000	2140	2290	10046	0.05	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
d. Cooperative Banks/Societies and Quasi corporate Bodies	4112	4606	5158	5777	6471	26124	0.09	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.08	0.09
Note: Only the estimates for the 11th Plan Period is based on the assumption given in scenario.																

Table 5: Estimates of Gross Savings of Private Corporate Sector: 2005-06 and 2006-07				
(Amount in Rs. Crore)				
	Ratio Estimates		Regression Estimates	
	2005-06	2006-07	2005-06	2006-07
GDP	3531451	3990540	3531541	3990540
1. Private Non-financial Companies	160906	187349	157065	175436
	(4.56)	(4.69)	(4.45)	(4.40)
2. Non-Banking financial Companies*	6749	7762	9688	11141
	(0.19)	(0.19)	(0.27)	(0.28)
3. Others#	20242	22864	20242	22864
	(0.57)	(0.57)	(0.57)	(0.57)
Total	187897	217975	186995	209441
	(5.32)	(5.46)	(5.29)	(5.25)
Note: Estimation for financial companies and others are based on certain assumptions for both regression and ratio approaches.				
Figures in bracket indicate percentages to GDP at current market prices.				
*: Includes private financial and investment companies.				
#: Includes private commercial banks, cooperative banks/societies and quasi-corporate bodies.				

Table 6: Gross Savings Rate of the Private Corporate Sector			
for Eleventh Plan Period			
		(As a per cent to GDP at current market prices)	
Alternative Scenarios	Average for the Plan Period		
		Under regression approach	Under ratio approach
1. GDP growth at 7 per cent			
a) Inflation rate at 4.5 per cent		4.92	5.49
b) Inflation rate at 5.0 per cent		4.93	5.56
2. GDP growth at 8 per cent			
a) Inflation rate at 4.5 per cent		4.99	5.49
b) Inflation rate at 5.0 per cent		5	5.56
3. GDP growth at 8.5 per cent			
a) Inflation rate at 4.5 per cent		5.14	5.61
b) Inflation rate at 5.0 per cent		5.16	5.68
4. GDP growth at 9 per cent			
a) Inflation rate at 4.5 per cent		5.16	5.61
b) Inflation rate at 5.0 per cent		5.19	5.67