

Statement 2: Selected Financial Ratios of the Selected 883 Private Limited Companies, 1995-96 and 1997-98

(Per cent)			
SELECTED FINANCIAL RATIOS	1995-96	1996-97	1997-98
1	2	3	4
A. Capital structure ratios			
1. Net fixed assets to total net assets	34.8	34.9	34.4
2. Net worth to total net assets	32.9	32.9	34.8
3. Debt to equity	32.9	31.0	24.7
4. Debt to equity (equity adjusted for revaluation reserve)	34.6	32.5	25.9
5. Short term bank borrowings to inventories	66.3	66.5	64.5
6. Total outside liabilities to net worth	203.8	203.9	187.4
B. Liquidity ratios			
7. Current assets to current liabilities *	1.1	1.1	1.1
8. Quick assets to current liabilities	48.7	49.6	50.1
9. Current assets to total net assets	61.3	61.2	61.5
10. Sundry creditors to current assets	29.4	31.2	32.3
11. Sundry creditors to net working capital	349.1	394.5	387.7
C. Assets utilization and turnover ratios			
12. Sales to total net assets	108.4	105.1	105.8
13. Sales to gross fixed assets	196.8	189.0	188.6
14. Inventories to sales	16.7	16.5	15.9
15. Sundry debtors to sales	17.4	18.1	18.4
16. Exports to sales	6.4	7.6	6.9
17. Gross value added to gross fixed assets	41.9	41.2	42.0
18. Raw materials consumed to value of production	57.2	56.9	55.9
D. Sources and uses of funds ratios @			
19. Gross fixed assets formation to total uses of funds	(36.5)	46.9	45.0
20. Gross capital formation to total uses of funds	(51.3)	56.9	54.9
21. External sources of funds to total sources of funds	(66.0)	66.6	53.5
22. Increase in bank borrowings to total external sources	(20.9)	12.1	9.4
23. Gross savings to gross capital formation	(68.6)	61.7	89.4
E. Profitability and profit allocation ratios			
24. Gross profits to total net assets	9.7	8.7	9.0
25. Gross profits to sales	9.0	8.3	8.5
26. Profits after tax to net worth	12.2	8.7	10.4

27. Tax provision to profits before tax	34.6	41.4	32.0
28. Profits retained to profits after tax	83.3	69.7	75.4
29. Dividends to net worth	2.0	2.6	2.6
30. Ordinary dividends to ordinary paid-up capital	5.2	6.6	6.3

Note : Figures in brackets relate to 853 companies selected for the previous study.

@ Adjusted for revaluation, etc.

* Item B.7 is the actual ratio of current assets to current liabilities.