

Finances of Private Limited Companies, 1998-99 (Part 2 of 5)
Statement 1: Growth Rates of the Selected Items of the Selected 890 Private Limited Companies, 1996-97 to 1998-99

| | | (Per cent) | | |
|--|---------------|-------------|------------|--|
| ITEM | 1996-97 | 1997-98 | 1998-99 | |
| 1 | 2 | 3 | 4 | |
| 1. Sales + | (10.9) | 10.3 | 7.4 | |
| 2. Value of production | (10.6) | 9.9 | 5.7 | |
| 3. Total Income | (10.8) | 10.1 | 5.5 | |
| 4. Manufacturing expenses | (8.3) | 5.9 | 2.7 | |
| 5. Remuneration to employees | (23.4) | 14.3 | 14.0 | |
| 6. Depreciation provision | (16.1) | 14.3 | 9.7 | |
| 7. Gross profits | (2.4) | 14.1 | 10.7 | |
| 8. Interest | (19.1) | 4.3 | 7.2 | |
| 9. Operating profits | (-9.4) | 25.3 | 13.9 | |
| 10. Non-operating surplus/deficit | (-4.6) | -10.9 | -35.6 | |
| 11. Profits before tax | (-9.1) | 22.3 | 10.9 | |
| 12. Tax provision | (8.9) | -10.1 | 26.1 | |
| 13. Profits after tax | (-18.6) | 47.8 | 3.7 | |
| 14. Dividend paid | (47.6) | 18.7 | 41.0 | |
| 15. Profits retained | (-31.9) | 60.2 | -8.2 | |
| 16. Gross saving | (-8.0) | 29.2 | 2.5 | |
| 17. (a) Gross value added | (13.8) | 14.9 | 11.8 | |
| (b) Net value added | (13.4) | 15.0 | 12.2 | |
| 18. Net worth @ | (13.8) | 14.8 | 13.0 | |
| 19. Total borrowings @ | (12.0) | 12.3 | 7.6 | |
| <i>Of which, from banks @</i> | <i>(8.6)</i> | <i>10.9</i> | <i>4.3</i> | |
| 20. Trade dues and other current liabilities @ | (16.5) | 7.5 | -1.3 | |
| 21. (a) Gross fixed assets @ | (14.9) | 12.1 | 9.0 | |
| (b) Net fixed assets @ | (14.2) | 9.3 | 5.1 | |
| 22. Inventories @ | (9.6) | 10.3 | -5.8 | |
| 23. (a) Gross physical assets @ | (13.6) | 11.7 | 5.5 | |
| (b) Net physical assets @ | (12.6) | 9.7 | 1.5 | |
| 24. (a) Total gross assets @ | (14.5) | 12.3 | 8.4 | |
| (b) Total net assets @ | (14.2) | 11.3 | 6.9 | |
| 25. Total earnings in foreign currencies | (21.6) | 31.5 | 8.5 | |
| <i>Of which, Exports</i> | <i>(30.6)</i> | <i>12.5</i> | <i>5.0</i> | |

| | | | |
|---|---------------|-------------|--------------|
| 26. Total expenditure in foreign currencies | (10.0) | 40.0 | -22.8 |
| <i>Of which, Imports</i> | <i>(15.3)</i> | <i>15.6</i> | <i>-10.0</i> |

Note : Figures in brackets relate to 883 companies selected for the previous study.
Rates of growth of all the items are adjusted for changes due to amalgamation of companies.

+ Net of 'rebates and discounts' and 'excise duty and cess'.

@ Adjusted for revaluation, etc.

Statement 2: Selected Financial Ratios of the Selected 890 Private Limited Companies, 1997-98 and 1998-99

| | (Per cent) | | |
|--|----------------|----------------|----------------|
| SELECTED FINANCIAL RATIOS | 1996-97 | 1997-98 | 1998-99 |
| 1 | 2 | 3 | 4 |
| A. Capital structure ratios | | | |
| 1. Net fixed assets to total net assets | 35.6 | 35.2 | 34.7 |
| 2. Net worth to total net assets | 33.0 | 34.2 | 36.3 |
| 3. Debt to equity | 30.5 | 27.2 | 24.9 |
| 4. Debt to equity (equity adjusted for revaluation reserve) | 32.4 | 28.8 | 26.4 |
| 5. Short term bank borrowings to inventories | 63.9 | 66.9 | 75.5 |
| 6. Total outside liabilities to net worth | 203.4 | 192.6 | 175.9 |
| B. Liquidity ratios | | | |
| 7. Current assets to current liabilities * | 1.1 | 1.1 | 1.1 |
| 8. Quick assets to current liabilities | 46.2 | 48.1 | 52.4 |
| 9. Current assets to total net assets | 60.5 | 60.9 | 60.8 |
| 10. Sundry creditors to current assets | 31.7 | 30.9 | 28.7 |
| 11. Sundry creditors to net working capital | 519.2 | 402.8 | 268.3 |
| C. Assets utilization and turnover ratios | | | |
| 12. Sales to total net assets | 102.1 | 100.8 | 101.1 |
| 13. Sales to gross fixed assets | 181.9 | 177.6 | 174.1 |
| 14. Inventories to sales | 17.5 | 17.5 | 15.4 |
| 15. Sundry debtors to sales | 18.0 | 18.7 | 19.4 |
| 16. Exports to sales | 7.3 | 7.4 | 7.2 |
| 17. Gross value added to gross fixed assets | 39.6 | 40.3 | 41.1 |
| 18. Raw materials consumed to value of production | 55.4 | 52.8 | 50.9 |
| D. Sources and uses of funds ratios @ | | | |
| 19. Gross fixed assets formation to total uses of funds | (46.9) | 45.9 | 49.9 |
| 20. Gross capital formation to total uses of funds | (56.9) | 58.3 | 40.0 |

| | | | |
|---|--------|------|-------|
| 21. External sources of funds to total sources of funds | (66.6) | 58.4 | 42.9 |
| 22. Increase in bank borrowings to total external sources | (12.1) | 19.2 | 14.9 |
| 23. Gross savings to gross capital formation | (61.7) | 77.0 | 149.0 |

E. Profitability and profit allocation ratios

| | | | |
|--|------|------|------|
| 24. Gross profits to total net assets | 8.3 | 8.5 | 8.8 |
| 25. Gross profits to sales | 8.2 | 8.4 | 8.7 |
| 26. Profits after tax to net worth | 7.2 | 9.2 | 8.4 |
| 27. Tax provision to profits before tax | 44.0 | 32.4 | 36.8 |
| 28. Profits retained to profits after tax | 70.0 | 75.9 | 67.2 |
| 29. Dividends to net worth | 2.2 | 2.2 | 2.7 |
| 30. Ordinary dividends to ordinary paid-up capital | 5.0 | 4.9 | 6.2 |

Note : Figures in brackets relate to 883 companies selected for the previous study.

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

@ Adjusted for revaluation, etc.

**Statement 3: Combined Income, Value of Production, Expenditure and Appropriation
Account of the Selected 890 Private Limited Companies, 1996-97 to 1998-99**

| | | | | (Rs. lakh) |
|--|-----------------|-----------------|-----------------|------------|
| ITEM | 1996-97 | 1997-98 | 1998-99 | |
| 1 | 2 | 3 | 4 | |
| INCOME AND VALUE OF PRODUCTION | | | | |
| 1. Sales + | 3,225,28 | 3,556,44 | 3,819,72 | |
| 2. Increase(+) or decrease(-) in value of stock of finished goods and work in progress | 46,19 | 39,13 | -18,02 | |
| 3. Value of production (1+2) | 3,271,47 | 3,595,57 | 3,801,70 | |
| 4. Other income | 141,58 | 163,84 | 169,96 | |
| <i>Of which, (a) Dividends</i> | 5,46 | 6,16 | 7,97 | |
| <i>(b) Interest</i> | 32,91 | 37,69 | 42,48 | |
| <i>(c) Rent</i> | 6,08 | 6,55 | 8,94 | |
| 5. Non-operating surplus(+)/ deficit(-) | 11,14 | 9,92 | 6,39 | |
| 6. Total (3+4+5) | 3,424,19 | 3,769,33 | 3,978,05 | |
| EXPENDITURE AND APPROPRIATIONS | | | | |
| 7. Raw materials, components, etc., consumed | 1,813,70 | 1,899,31 | 1,935,11 | |
| 8. Stores and spares consumed | 146,22 | 162,18 | 169,90 | |
| 9. Power and fuel | 140,11 | 166,24 | 174,81 | |
| 10. Other manufacturing expenses | 87,65 | 88,30 | 98,02 | |
| 11. Salaries, wages and bonus | 272,67 | 306,19 | 350,56 | |
| 12. Provident fund | 19,17 | 23,66 | 27,56 | |
| 13. Employees' welfare expenses | 29,40 | 37,42 | 40,60 | |
| 14. Managerial remuneration | 18,76 | 22,10 | 25,61 | |

| | | | |
|---|-----------------|-----------------|-----------------|
| 15. Royalty | 14,13 | 24,46 | 30,36 |
| 16. Repairs to buildings | 12,47 | 16,23 | 16,94 |
| 17. Repairs to machinery | 26,26 | 26,30 | 30,55 |
| 18. Bad debts | 4,91 | 5,84 | 12,69 |
| 19. Selling commission | 24,08 | 27,69 | 30,17 |
| 20. Rent | 33,74 | 41,57 | 46,64 |
| 21. Rates and taxes | 11,15 | 12,91 | 14,81 |
| 22. Advertisement | 15,58 | 17,17 | 18,85 |
| 23. Insurance | 9,81 | 11,60 | 12,55 |
| 24. Research and development | 1,09 | 1,08 | 1,15 |
| 25. Other expenses | 356,18 | 440,87 | 460,99 |
| 26. Depreciation provision | 110,55 | 126,40 | 138,68 |
| 27. Other provisions (other than tax and depreciation) | 2,43 | 1,84 | 3,07 |
| 28. Gross profits | 263,01 | 300,06 | 332,03 |
| 29. Less: Interest | 140,20 | 146,17 | 156,73 |
| 30. Operating profits | 122,81 | 153,88 | 175,29 |
| 31. Non-operating surplus(+)/ deficit(-) | 11,14 | 9,92 | 6,39 |
| 32. Profits before tax | 133,94 | 163,80 | 181,68 |
| 33. Less: Tax provision | 58,97 | 53,01 | 66,84 |
| 34. Profits after tax | 74,97 | 110,79 | 114,84 |
| 35. Dividends | 22,48 | 26,69 | 37,63 |
| (a) Ordinary | 22,41 | 25,72 | 37,45 |
| (b) Preference | 7 | 97 | 17 |
| 36. Profits retained | 52,49 | 84,10 | 77,22 |
| 37. Total (7 TO 28 + 31) | 3,424,19 | 3,769,33 | 3,978,05 |

+ Net of 'rebates and discounts' and 'excise duty and cess'.

**Statement 4: Combined Balance Sheet of the Selected 890 Private Limited Companies,
1996-97 to 1998-99**

| (Rs. lakh) | | | |
|------------------------------------|----------------|----------------|----------------|
| CAPITAL AND LIABILITIES | 1996-97 | 1997-98 | 1998-99 |
| 1 | 2 | 3 | 4 |
| A. Share capital | 463,51 | 539,08 | 621,18 |
| 1. Paid-up capital | 463,13 | 538,71 | 620,80 |
| (a) Ordinary | 449,58 | 525,17 | 600,84 |
| <i>Of which, bonus</i> | 84,23 | 96,93 | 103,33 |
| (b) Preference | 13,55 | 13,54 | 19,96 |
| 2. Forfeited shares | 38 | 38 | 38 |
| B. Reserve and surplus | 577,75 | 666,60 | 748,92 |
| 3. Capital reserves | 253,51 | 258,78 | 265,45 |
| <i>Of which, premium on shares</i> | 6,33 | 8,95 | 10,99 |
| 4. Investment allowance reserve | 9,26 | 14,22 | 15,53 |

| | | | |
|---|-----------------|-----------------|-----------------|
| 5. Sinking funds | 17 | 58 | 14 |
| 6. Other reserves | 314,80 | 393,02 | 467,81 |
| C. Borrowings | 1,050,45 | 1,179,28 | 1,268,61 |
| 7. Debentures @ | 1,00 | 1,14 | 8,61 |
| 8. Loans and advances | 1,003,23 | 1,127,22 | 1,208,85 |
| (a) From banks | 481,94 | 534,43 | 557,64 |
| <i>Of which, short-term borrowings</i> | <i>360,42</i> | <i>416,30</i> | <i>442,70</i> |
| (b) From other Indian financial institutions | 124,03 | 135,47 | 138,97 |
| (c) From foreign institutional agencies | 94 | 90 | 1,47 |
| (d) From government and semi-government bodies | 22,23 | 18,30 | 25,58 |
| (e) From companies | 132,16 | 144,86 | 164,09 |
| (f) From others | 241,94 | 293,25 | 321,09 |
| 9. Deferred payments | 23,49 | 32,37 | 28,48 |
| 10. Public deposits | 22,73 | 18,55 | 22,67 |
| Of total borrowings, debt | 317,85 | 328,08 | 341,63 |
| D. Trade dues and other current liabilities | 1,012,83 | 1,088,68 | 1,074,00 |
| 11. Sundry creditors | 604,52 | 664,47 | 660,07 |
| 12. Acceptances | 5,15 | 6,76 | 6,86 |
| 13. Liabilities to companies | 12,20 | 15,05 | 7,92 |
| 14. Advances/ deposits from customers, agents, etc. | 214,47 | 214,70 | 205,06 |
| 15. Interest accrued on loans | 24,08 | 25,92 | 31,97 |
| 16. Others | 152,41 | 161,78 | 162,12 |
| E. Provisions | 54,33 | 53,68 | 66,86 |
| 17. Taxation (net of advance of income-tax) | 13,15 | 1,57 | 9,52 |
| 18. Dividends | 20,28 | 21,44 | 23,79 |
| 19. Other current provisions | 14,57 | 19,08 | 18,56 |
| 20. Non-current provisions | 6,33 | 11,59 | 15,00 |
| F. 21. Miscellaneous non-current liabilities | - | - | - |
| 22. TOTAL | 3,158,87 | 3,527,33 | 3,779,57 |

(Rs. lakh)

| ASSETS | 1996-97 | 1997-98 | 1998-99 |
|---|-----------------|-----------------|-----------------|
| 1 | 2 | 3 | 4 |
| G. Gross fixed assets | 1,773,55 | 2,002,42 | 2,194,25 |
| 23. Land | 92,13 | 110,63 | 132,96 |
| 24. Buildings | 528,95 | 572,49 | 633,41 |
| 25. Plant and machinery | 853,32 | 952,88 | 1,052,75 |
| 26. Capital work-in-progress | 38,88 | 50,11 | 28,84 |
| 27. Furniture, fixtures and office equipments | 112,33 | 135,68 | 159,63 |
| 28. Others | 147,95 | 180,62 | 186,66 |
| H. 29. Depreciation | 648,78 | 762,56 | 883,69 |
| I. 30. Net fixed assets | 1,124,77 | 1,239,86 | 1,310,57 |
| J. Inventories | 564,31 | 622,54 | 586,55 |

| | | | |
|---|-----------------|-----------------|-----------------|
| 31. Raw materials, components, etc. | 181,15 | 203,36 | 200,12 |
| 32. Finished goods | 168,72 | 191,50 | 184,84 |
| 33. Work-in-progress | 115,92 | 132,27 | 120,91 |
| 34. Stores and spares | 49,93 | 56,14 | 52,96 |
| 35. Others | 48,59 | 39,27 | 27,72 |
| K. Loans and advances and other debtor balances | 1,096,24 | 1,233,87 | 1,377,77 |
| 36. Sundry debtors | 579,97 | 663,49 | 740,45 |
| 37. Loans and advances | 394,56 | 426,92 | 468,23 |
| (a) To subsidiaries and companies under the same management | 17,99 | 16,69 | 31,61 |
| (b) Others | 376,57 | 410,23 | 436,62 |
| 38. Interest accrued on loans and advances | 6,90 | 7,67 | 8,24 |
| 39. Deposits/ balances with government/ others | 80,51 | 100,01 | 116,13 |
| 40. Others | 34,30 | 35,78 | 44,71 |
| L. Investments | 154,59 | 173,49 | 189,99 |
| <i>Of which, quoted investments</i> | <i>54,14</i> | <i>56,97</i> | <i>48,78</i> |
| 41. Foreign | - | - | 71 |
| 42. Indian | 154,59 | 173,49 | 189,29 |
| (a) Government/ semi-government securities | 1,57 | 3,48 | 1,52 |
| (b) Securities of Financial Institutions | 12,91 | 13,37 | 18,34 |
| (c) Industrial securities | 106,86 | 123,11 | 134,30 |
| (d) Shares and debentures of subsidiaries | 16,06 | 11,95 | 11,74 |
| (e) Others | 17,18 | 21,58 | 23,39 |
| M. 43. Advance of income-tax (net of tax provision) | - | - | - |
| N. Other assets | 23,79 | 24,01 | 29,54 |
| 44. Immovable property | 55 | 4,58 | 4,94 |
| 45. Intangible assets | 23,11 | 19,08 | 24,48 |
| 46. Miscellaneous non-current assets | 14 | 35 | 12 |
| O. Cash and bank balances | 195,18 | 233,56 | 285,15 |
| 47. Fixed deposits with banks | 88,60 | 116,69 | 154,14 |
| 48. Other bank balances | 93,66 | 100,70 | 112,67 |
| 49. Cash in hand | 12,91 | 16,17 | 18,34 |
| 50. TOTAL | 3,158,88 | 3,527,33 | 3,779,57 |

@ Includes privately placed debentures.

- Nil or negligible.

Statement 5: Sources and uses of Funds of the Selected 890 Private Limited Companies, 1997-98 and 1998-99

| | | (Rs. lakh) | |
|-------------------------|--|----------------|----------------|
| SOURCES OF FUNDS | | 1997-98 | 1998-99 |
| 1 | | 2 | 3 |

| | | |
|---|---------------|---------------|
| INTERNAL SOURCES | 194,95 | 207,00 |
| A. 1. Paid-up capital | 12,70 | 6,40 |
| B. Reserve and Surplus | 72,97 | 70,11 |
| 2. Capital reserves | -10,61 | -5,54 |
| 3. Investment allowance reserve | 4,95 | 1,31 |
| 4. Sinking funds | 40 | -44 |
| 5. Other reserves | 78,22 | 74,78 |
| C. Provisions | 109,28 | 130,48 |
| 6. Depreciation | 109,93 | 117,30 |
| 7. Taxation (net of advance of income tax) | -11,58 | 7,95 |
| 8. Dividends | 1,16 | 2,34 |
| 9. Other current provisions | 4,51 | -51 |
| 10. Non-current provisions | 5,27 | 3,41 |
| EXTERNAL SOURCES | 273,46 | 155,38 |
| D. Paid-up capital | 65,54 | 77,73 |
| 11. Net issues | 62,87 | 75,69 |
| 12. Premium on shares | 2,67 | 2,03 |
| E. 13. Capital receipts | 3,24 | 3,00 |
| F. Borrowings | 128,83 | 89,33 |
| 14. Debentures @ | 14 | 7,47 |
| 15. Loans and advances | 123,99 | 81,63 |
| (a) From banks | 52,50 | 23,20 |
| (b) From other Indian financial institutions | 11,44 | 3,50 |
| (c) From foreign institutional agencies | -4 | 57 |
| (d) From government and semi-government bodies | -3,92 | 7,28 |
| (e) From companies | 12,70 | 19,23 |
| (f) From others | 51,31 | 27,84 |
| 16. Deferred payments | 8,88 | -3,89 |
| 17. Public deposits | -4,18 | 4,12 |
| G. Trade dues and other current liabilities | 75,85 | -14,68 |
| 18. Sundry creditors | 59,96 | -4,40 |
| 19. Acceptances | 1,61 | 9 |
| 20. Liabilities to companies | 2,85 | -7,13 |
| 21. Advances/ deposits from customers, agents, etc. | 22 | -9,64 |
| 22. Interest accrued on loans | 1,83 | 6,05 |
| 23. Others | 9,37 | 34 |
| H. 24. Miscellaneous non-current liabilities | - | - |
| 25. TOTAL | 468,41 | 362,37 |
| I. Gross fixed assets | 215,05 | 180,84 |
| 26. Land | 8,79 | 12,80 |
| 27. Buildings | 40,72 | 60,06 |
| 28. Plant and machinery | 98,27 | 99,31 |
| 29. Capital work-in-progress | 11,24 | -21,27 |
| 30. Furniture, fixtures and office equipments | 23,35 | 23,91 |

| | | |
|---|---------------|---------------|
| 31. Others | 32,68 | 6,02 |
| J. Inventories | 58,23 | -35,99 |
| 32. Raw materials, components, etc. | 22,22 | -3,24 |
| 33. Finished goods | 22,78 | -6,66 |
| 34. Work-in-progress | 16,34 | -11,36 |
| 35. Stores and spares | 6,21 | -3,18 |
| 36. Others | -9,32 | -11,55 |
| K. Loans and advances and other debtor balances | 137,63 | 143,90 |
| 37. Sundry debtors | 83,52 | 76,96 |
| 38. Loans and advances | 32,36 | 41,31 |
| a) To subsidiaries and companies under the same management | -1,30 | 14,92 |
| b) Others | 33,66 | 26,39 |
| 39. Interest accrued on loans and advances | 77 | 58 |
| 40. Deposits/ balances with government/ others | 19,50 | 16,12 |
| 41. Others | 1,48 | 8,93 |
| L. 42. Investments | 18,90 | 16,51 |
| M. 43. Other assets | 22 | 5,53 |
| N. 44. Cash and bank balances | 38,38 | 51,59 |
| 45. TOTAL | 468,41 | 362,37 |

Note : This statement is derived from statement 4. Figures have been adjusted for the changes consequent on amalgamation of companies and for revaluation, etc., wherever necessary.

@ Includes privately placed debentures.

- Nil or negligible.

Statement 6: Earnings / Expenditure in Foreign Curriencies of Selected 890 Private Limited Companies, 1996-97 to 1998-99

| | (Rs. lakh) | | |
|--|---------------|---------------|---------------|
| ITEM | 1996-97 | 1997-98 | 1998-99 |
| 1 | 2 | 3 | 4 |
| I. Expe nditure in foreign currencies | 194,07 | 271,64 | 209,66 |
| (a) Imports (on c.i.f. basis) | 167,45 | 193,51 | 174,25 |
| Of which, | | | |
| i) <i>Raw materials</i> | 130,81 | 150,13 | 137,43 |
| ii) <i>Capital goods</i> | 17,96 | 19,81 | 14,64 |
| iii) <i>Stores and spares</i> | 8,66 | 13,41 | 12,99 |
| (b) Other expenditure in foreign currencies | 26,62 | 78,13 | 35,41 |
| II. Earnings in foreign currencies | 305,78 | 401,97 | 436,13 |

| | | | |
|---|---------------|---------------|---------------|
| <i>Of which,</i> | | | |
| <i>Exports (on f.o.b. basis)</i> | 234,23 | 263,56 | 276,74 |
| III. Net inflow (+)/ outflow (-) in foreign currencies | 111,71 | 130,33 | 226,48 |