

Finances of Private Limited Companies, 1998-99 (Part 5 of 5)
Statement 8: Selected Financial Ratios of the Selected 890 Private Limited Companies -
Industry-Wise, 1996-97 to 1998-99

(Per cent)

SELECTED FINANCIAL RATIO	Paper and paper products (23)			Glass and glassware (6)		
	1996-97	1997-98	1998-99	1996-97	1997-98	1998-99
	50	51	52	53	54	55
1						
A. Capital structure ratios						
1. Net fixed assets to total net assets	42.4	42.3	40.9	43.5	45.2	41.7
2. Net worth to total net assets	22.9	22.6	23.2	37.4	38.2	35.6
3. Debt to equity	66.2	74.9	50.9	44.7	20.5	60.2
4. Debt to equity (equity adjusted for revaluation reserve)	66.2	74.9	50.9	44.7	20.5	60.2
5. Short term bank borrowings to inventories	137.4	108.1	114.8	69.3	103.1	66.4
6. Total outside liabilities to net worth	336.8	343.4	330.2	167.2	161.5	181.1
B. Liquidity ratios						
7. Current assets to current liabilities *	0.9	0.9	0.9	1.2	1.0	1.3
8. Quick assets to current liabilities	45.5	45.2	44.8	61.4	46.7	64.5
9. Current assets to total net assets	56.0	55.7	57.1	55.5	53.4	56.8
10. Sundry creditors to current assets	43.5	43.1	45.1	33.1	33.4	28.6
11. Sundry creditors to net working capital	#	#	#	189.9	#	117.4
C. Assets utilization and turnover ratios						
12. Sales to total net assets	124.6	122.7	124.8	84.3	97.0	87.3
13. Sales to gross fixed assets	174.4	174.3	172.7	123.7	133.9	124.1
14. Inventories to sales	11.1	12.6	13.2	17.5	18.8	22.8
15. Sundry debtors to sales	20.1	19.4	19.8	15.1	10.8	14.9
16. Exports to sales	\$	0.1	0.1	24.9	36.5	24.4
17. Gross value added to gross fixed assets	32.0	32.4	33.9	32.1	40.4	41.9
18. Raw materials consumed to value of production	54.7	53.6	52.0	49.1	38.4	40.0
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		51.4	55.2		77.2	31.9
20. Gross capital formation to total uses of funds		73.8	75.1		119.0	57.0
21. External sources of funds to total sources of funds		77.6	29.7		36.0	58.5
22. Increase in bank borrowings to total external sources		45.3	76.2		130.3	103.1
23. Gross saving to gross capital formation		41.1	94.4		56.5	86.8
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	8.8	8.3	9.2	6.6	9.8	8.9
25. Gross profits to sales	7.0	6.8	7.4	7.9	10.1	10.2
26. Profits after tax to net worth	16.0	3.5	9.2	4.1	7.8	2.4
27. Tax provision to profits before tax	23.7	57.2	36.8	35.3	25.6	56.7
28. Profits retained to profits after tax	85.3	28.5	71.8	82.2	91.2	72.4
29. Dividends to net worth	2.4	2.5	2.6	0.7	0.7	0.7
30. Ordinary dividends to ordinary paid-up capital	6.1	5.9	6.5	2.2	2.2	2.2

(Per cent)

SELECTED FINANCIAL RATIO	Printing and publishing (15)			Construction (10)		
	1996-97	1997-98	1998-99	1996-97	1997-98	1998-99
	56	57	58	59	60	61
1						
A. Capital structure ratios						
1. Net fixed assets to total net assets	39.7	44.5	44.0	12.4	14.4	15.0
2. Net worth to total net assets	28.7	25.0	16.6	14.0	17.7	19.8
3. Debt to equity	41.0	43.9	54.6	10.4	1.1	2.4
4. Debt to equity (equity adjusted for revaluation reserve)	54.2	49.0	90.2	11.2	1.2	2.5
5. Short term bank borrowings to inventories	99.1	148.1	264.9	3.2	7.2	8.5
6. Total outside liabilities to net worth	248.5	300.5	#	#	#	#
B. Liquidity ratios						
7. Current assets to current liabilities *	0.8	0.9	0.7	1.0	1.0	1.0
8. Quick assets to current liabilities	35.6	47.6	43.0	16.0	18.4	26.0
9. Current assets to total net assets	48.7	54.1	54.8	86.6	84.3	83.1
10. Sundry creditors to current assets	23.0	26.6	26.6	8.7	12.4	17.4
11. Sundry creditors to net working capital	#	#	#	#	#	#
C. Assets utilization and turnover ratios						
12. Sales to total net assets	72.0	83.9	80.9	26.5	40.8	51.4
13. Sales to gross fixed assets	102.5	104.6	92.3	130.7	163.6	191.8
14. Inventories to sales	14.6	9.9	10.2	225.0	130.2	79.6
15. Sundry debtors to sales	19.7	26.8	29.4	24.0	16.1	21.6
16. Exports to sales	\$	\$	\$	\$	\$	\$
17. Gross value added to gross fixed assets	21.1	13.1	17.4	69.0	55.2	39.2
18. Raw materials consumed to value of production	42.8	41.7	46.0	29.6	24.4	24.8
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		186.8	&		#	#
20. Gross capital formation to total uses of funds		148.8	&		&	&
21. External sources of funds to total sources of funds		157.1	#		&	&
22. Increase in bank borrowings to total external sources		19.0	105.7		#	&
23. Gross saving to gross capital formation		\$	&		#	#
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	0.4	\$	\$	2.1	3.5	3.2
25. Gross profits to sales	0.6	\$	\$	8.0	8.5	6.2
26. Profits after tax to net worth	\$	\$	\$	4.3	7.3	10.5
27. Tax provision to profits before tax	#	#	#	26.0	27.8	11.8
28. Profits retained to profits after tax	&	&	&	61.0	69.9	80.9
29. Dividends to net worth	1.0	0.5	2.0	1.7	2.2	2.0
30. Ordinary dividends to ordinary paid-up capital	1.8	0.6	1.3	3.8	5.0	5.0

(Per cent)

SELECTED FINANCIAL RATIO	Trading (92)			Land and estate (6)		
	1996-97	1997-98	1998-99	1996-97	1997-98	1998-99
	62	63	64	65	66	67
1						

A. Capital structure ratios

1. Net fixed assets to total net assets	18.8	16.4	16.3	90.6	89.4	88.3
2. Net worth to total net assets	34.8	33.9	38.6	96.5	96.1	95.5
3. Debt to equity	14.0	8.9	7.8	0.4	0.7	0.6
4. Debt to equity (equity adjusted for revaluation reserve)	15.0	9.5	8.2	0.4	0.7	0.6
5. Short term bank borrowings to inventories	45.8	43.8	51.3	\$	0.6	3.0
6. Total outside liabilities to net worth	187.2	195.3	159.0	3.7	4.1	4.7

B. Liquidity ratios

7. Current assets to current liabilities *	1.2	1.2	1.3	2.7	2.9	2.7
8. Quick assets to current liabilities	45.5	48.7	59.1	50.2	47.4	45.7
9. Current assets to total net assets	72.6	74.5	74.7	8.5	9.6	10.6
10. Sundry creditors to current assets	24.7	30.7	26.9	7.4	3.0	7.1
11. Sundry creditors to net working capital	142.5	197.4	121.3	11.7	4.5	11.3

C. Assets utilization and turnover ratios

12. Sales to total net assets	124.4	120.9	126.4	1.9	2.1	3.0
13. Sales to gross fixed assets	#	#	#	1.8	1.9	2.6
14. Inventories to sales	11.6	12.2	10.1	21.8	27.4	20.8
15. Sundry debtors to sales	13.9	16.6	16.2	3.9	4.9	4.3
16. Exports to sales	7.4	6.4	5.2	\$	\$	\$
17. Gross value added to gross fixed assets	55.9	61.1	62.3	0.8	1.3	1.5
18. Raw materials consumed to value of production	74.8	72.1	67.7	18.1	7.9	10.3

D. Sources and uses of funds ratios @

19. Gross fixed assets formation to total uses of funds		13.8	41.1		5.1	24.4
20. Gross capital formation to total uses of funds		28.6	0.5		18.3	28.2
21. External sources of funds to total sources of funds		67.7	\$		16.0	55.1
22. Increase in bank borrowings to total external sources		1.2	#		2.2	3.3
23. Gross saving to gross capital formation		132.2	#		169.1	218.0

E. Profitability and profit allocation ratios

24. Gross profits to total net assets	9.2	10.2	11.0	\$	\$	\$
25. Gross profits to sales	7.4	8.4	8.7	\$	\$	\$
26. Profits after tax to net worth	9.8	14.3	12.7	\$	\$	\$
27. Tax provision to profits before tax	44.5	33.6	35.0	#	#	#
28. Profits retained to profits after tax	63.6	83.7	83.1	&	&	&
29. Dividends to net worth	3.6	2.3	2.1	0.3	0.4	0.6
30. Ordinary dividends to ordinary paid-up capital	9.0	6.1	6.1	20.8	23.3	31.5

(Per cent)

SELECTED FINANCIAL RATIO	Road transport (9)			Shipping (4)		
	1996-97	1997-98	1998-99	1996-97	1997-98	1998-99
	68	69	70	71	72	73
1						
A. Capital structure ratios						
1. Net fixed assets to total net assets	35.7	33.4	33.5	10.9	29.9	36.6
2. Net worth to total net assets	36.7	41.3	46.2	19.5	29.4	34.5
3. Debt to equity	44.2	14.1	14.7	0.9	\$	\$
4. Debt to equity	44.2	14.1	14.7	0.9	\$	\$

(equity adjusted for revaluation reserve)

5. Short term bank borrowings to inventories	#	#	#	1.5	6.7	14.5
6. Total outside liabilities to net worth	172.3	141.9	116.7	#	240.3	189.5

B. Liquidity ratios

7. Current assets to current liabilities *	1.4	1.2	1.4	1.0	1.0	1.0
8. Quick assets to current liabilities	104.4	97.5	107.0	43.0	39.0	28.6
9. Current assets to total net assets	63.6	66.0	64.8	78.9	69.5	62.9
10. Sundry creditors to current assets	33.9	25.3	24.0	63.4	50.2	74.1
11. Sundry creditors to net working capital	130.3	126.8	87.6	#	#	#

C. Assets utilization and turnover ratios

12. Sales to total net assets	171.2	183.3	184.1	49.4	64.0	79.3
13. Sales to gross fixed assets	239.5	259.9	258.2	361.5	182.2	166.7
14. Inventories to sales	1.2	1.3	1.2	42.2	19.7	15.8
15. Sundry debtors to sales	24.1	20.0	19.4	38.8	9.2	9.1
16. Exports to sales	\$	\$	\$	\$	\$	\$
17. Gross value added to gross fixed assets	73.7	75.0	75.7	40.3	8.9	12.6
18. Raw materials consumed to value of production	1.4	1.4	1.3	54.2	68.5	75.2

D. Sources and uses of funds ratios @

19. Gross fixed assets formation to total uses of funds		41.5	54.2		#	#
20. Gross capital formation to total uses of funds		44.8	55.1		#	#
21. External sources of funds to total sources of funds		7.4	29.4		&	&
22. Increase in bank borrowings to total external sources		#	\$		#	#
23. Gross saving to gross capital formation		#	152.4		170.3	123.7

E. Profitability and profit allocation ratios

24. Gross profits to total net assets	16.0	17.1	19.1	6.0	3.6	2.6
25. Gross profits to sales	9.4	9.3	10.4	12.0	5.6	3.3
26. Profits after tax to net worth	20.9	23.0	22.8	39.6	16.7	1.4
27. Tax provision to profits before tax	39.7	36.0	36.1	24.5	17.0	49.7
28. Profits retained to profits after tax	86.1	77.1	79.4	98.7	96.9	66.1
29. Dividends to net worth	2.9	5.3	4.7	0.5	0.5	0.5
30. Ordinary dividends to ordinary paid-up capital	6.1	12.6	12.5	1.5	1.8	1.6

(Per cent)

SELECTED FINANCIAL RATIO	Hotels, restaurants and eating houses			
	(35)			
	1996-97	1997-98	1998-99	
1	74	75	76	
A. Capital structure ratios				
1. Net fixed assets to total net assets		59.9	57.9	60.4
2. Net worth to total net assets		47.5	45.9	44.9
3. Debt to equity		39.5	44.7	49.9
4. Debt to equity (equity adjusted for revaluation reserve)		46.0	50.7	55.9
5. Short term bank borrowings to inventories		92.6	137.6	156.3
6. Total outside liabilities to net worth		110.4	117.9	122.7
B. Liquidity ratios				
7. Current assets to current liabilities *		1.2	1.0	0.9

8. Quick assets to current liabilities	23.6	29.2	23.7
9. Current assets to total net assets	39.1	34.7	30.3
10. Sundry creditors to current assets	16.2	19.8	24.4
11. Sundry creditors to net working capital	115.1	519.6	#
C. Assets utilization and turnover ratios			
12. Sales to total net assets	55.4	51.1	48.4
13. Sales to gross fixed assets	67.0	62.0	56.1
14. Inventories to sales	6.7	7.1	5.6
15. Sundry debtors to sales	8.1	7.6	8.3
16. Exports to sales	\$	\$	\$
17. Gross value added to gross fixed assets	32.9	25.3	22.7
18. Raw materials consumed to value of production	17.8	18.0	18.5
D. Sources and uses of funds ratios @			
19. Gross fixed assets formation to total uses of funds		58.5	88.0
20. Gross capital formation to total uses of funds		60.8	83.9
21. External sources of funds to total sources of funds		60.3	50.6
22. Increase in bank borrowings to total external sources		17.8	\$
23. Gross saving to gross capital formation		75.3	57.9
E. Profitability and profit allocation ratios			
24. Gross profits to total net assets	16.8	10.5	9.6
25. Gross profits to sales	30.2	20.6	19.9
26. Profits after tax to net worth	18.9	10.1	8.6
27. Tax provision to profits before tax	27.8	23.6	27.1
28. Profits retained to profits after tax	86.9	71.8	67.8
29. Dividends to net worth	2.5	2.8	2.8
30. Ordinary dividends to ordinary paid-up capital	5.8	6.8	7.1

Note : Figures in brackets below the industry name represent the number of companies in the industry.

@ Adjusted for revaluation, etc.

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

- Nil or negligible

\$ Numerator is negative or nil or negligible.

Denominator is negative or nil or negligible.

& Both numerator and denominator are negative or nil or negligible.

@@ Industry-groups viz., 'Motor vehicles', 'Electrical machinery, apparatus, appliances, etc.' 'Machinery other than transport and electricals', 'Foundries and engineering workshops' and 'Ferrous/non-ferrous metal products' are subgroups of 'Engineering'.

++ Industry-groups viz., 'Basic industrial chemicals' and 'Medicines and pharmaceutical preparations' are subgroups of 'Chemicals'.

Appendix

Explanatory Notes to Various Statements

- The growth rates of all the items and data on sources and uses of funds are adjusted for changes due to amalgamation of companies. These are also adjusted for revaluation, etc., wherever necessary.
- Due to rounding off of figures, the constituent items may not add up to the totals.
- **Sales** are net of 'rebates and discounts' and 'excise duty and cess'.

- **Manufacturing expenses** comprise (a) raw materials, components, etc. consumed, (b) stores and spares consumed, (c) power and fuel and (d) other manufacturing expenses.
- **Raw materials, components, etc., consumed** includes purchases of traded goods in the case of trading companies and consumption of stores and provisions for hotels, restaurants and eating houses.
- **Other manufacturing expenses** include expenses like construction expenses of construction companies, operating expenses of shipping companies, etc.
- **Remuneration to employees** comprises (a) salaries, wages and bonus, (b) provident fund and (c) employees' welfare expenses.
- **Non-operating surplus/deficit** 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 realised and (d) income or expenditure relating to the previous years and such other items of non-current nature.
- **Gross profits** are net of depreciation provision but before interest.
- **Gross saving** is measured as the sum of retained profits and depreciation provision.
- **Gross value added** comprises (a) net value added and (b) depreciation provision.
- **Net value added** comprises (a) salaries, wages and bonus, (b) provident fund, (c) employees' welfare expenses, (d) managerial remuneration, (e) rent paid net of rent received, (f) interest paid net of interest received, (g) tax provision, (h) dividends paid net of dividends received and (i) retained profits net of non-operating surplus/ deficit.
- **Debt** comprises (a) all borrowings from Govt. and semi-Govt. bodies, financial institutions other than banks, and foreign institutional agencies, (b) borrowings from banks against mortgages and other long term securities, (c) borrowings from companies and others against mortgages and other long term securities, (d) debentures, deferred payment liabilities and public deposits.
- **Equity or Net worth** comprises (a) paid-up capital, (b) forfeited shares and (c) all reserves and surplus.
- **Current assets** comprise (a) inventories, (b) loans and advances and other debtor balances, (c) book value of quoted investments, (d) cash and bank balances and (e) advance of income-tax in excess of tax provision.
- **Current liabilities** comprise (a) short term borrowings from banks, (b) unsecured loans and other short term borrowings from companies and others, (c) trade dues and other current liabilities and (d) tax provision in excess of advance of income-tax and other current provisions.
- **Quick assets** comprise (a) sundry debtors, (b) book value of quoted investments and (c) cash and bank balances.
- **Capital reserves** include profits on sale of investments and fixed assets.
- **Other reserves** include profits retained in the form of various specific reserves and profit/loss carried to balance sheet.
- **Debentures** include privately placed debentures with financial institutions.