

## Statement 2 : Selected Financial Ratios of the Selected 880 Private Limited Companies, 1993-94 to 1995-96

		(Per cent)		
SELECTED FINANCIAL RATIO	1993-94	1994-95	1995-96	
1	2	3	4	
<b>A. Capital structure ratios</b>				
1. Net fixed assets to total net assets	32.1	31.4	31.1	
2. Net worth to total net assets	28.6	30.5	32.5	
3. Debt to equity	41.8	36.6	31.3	
4. Debt to equity (equity adjusted for revaluation reserve)	47.9	40.9	34.2	
5. Short term bank borrowings to inventories	69.2	66.5	66.7	
6. Total outside liabilities to net worth	249.2	227.4	207.3	
<b>B. Liquidity ratios</b>				
7. Current assets to current liabilities *	1.1	1.1	1.1	
8. Quick assets to current liabilities	48.3	45.8	48.7	
9. Current assets to total net assets	65.4	64.1	65.4	
10. Sundry creditors to current assets	31.4	30.8	30.1	
11. Sundry creditors to net working capital	334.1	335.2	239.4	
<b>C. Assets utilization and turnover ratios</b>				
12. Sales to total net assets	113.3	109.2	107.1	
13. Sales to gross fixed assets	206.9	210.0	212.4	
14. Inventories to sales	18.5	19.6	18.9	
15. Sundry debtors to sales	18.3	17.7	19.5	
16. Exports to sales	8.7	8.8	8.4	
17. Gross value added to gross fixed assets	45.9	46.2	45.7	
18. Raw materials consumed to value of production	55.1	56.4	56.8	
<b>D. Sources and uses of funds ratios @</b>				
19. Gross fixed assets formation to total uses of funds	(37.0)	32.7	37.9	
20. Gross capital formation to total uses of funds	(53.9)	54.7	51.5	
21. External sources of funds to total sources of funds	(59.9)	67.3	64.3	
22. Increase in bank borrowings to total external sources	(6.3)	21.0	19.7	
23. Gross savings to gross capital formation	(79.3)	66.5	71.4	
<b>E. Profitability and profit allocation ratios</b>				
24. Gross profits to total net assets	11.2	11.0	11.0	
25. Gross profits to sales	9.9	10.1	10.3	
26. Profits after tax to net worth	16.3	17.4	16.5	
27. Tax provision to profits before tax	34.0	28.8	27.9	
28. Profits retained to profits after tax	86.1	83.8	86.3	
29. Dividends to net worth	2.3	2.8	2.3	
30. Ordinary dividends to ordinary paid-up capital	6.5	7.9	6.9	

Note : Figures in brackets relate to 839 companies selected for the previous study.  
@ Adjusted for revaluation, etc.  
\* Item B.7 is the actual ratio of current assets to current liabilities.