

TABLE-2: SELECTED FINANCIAL RATIOS, 1994-95 TO 1996-97

(Per cent)

RATIOS	1994-95	1995-96	1996-97
1	2	3	4
A. CAPITAL STRUCTURE RATIOS			
1. Net Fixed Assets to total net assets	43.7	44.3	45.6
2. Net Worth to total net assets	42.5	43.8	42.7
3. Debt to equity	61.0	52.2	56.3
4. Debt to equity (adj. for revaluation)	61.0	53.5	56.9
5. Short term bank borrowings to inventories	57.5	63.2	66.8
6. Total Outside liabilities to net worth	135.4	128.2	134.0
B. LIQUIDITY RATIOS			
7. Current assets to current liabilities.*	1.6	1.5	1.4
8. Quick assets to current liabilities	66.0	60.0	60.6
9. Current assets to total net assets	49.7	47.5	46.2
10. Sundry creditors to Current Assets	24.9	26.7	26.1
11. Sundry creditors to net working capital	68.0	82.7	91.8
C. ASSETS UTILIZATION AND TURNOVER RATIOS			
12. Sales to total net assets	75.1	77.2	73.9
13. Sales to gross fixed assets	120.0	123.8	114.5
14. Inventories to sales	20.9	20.1	19.3
15. Sundry debtors to sales	17.6	17.0	18.3
16. Exports to sales	9.1	9.1	9.1
17. Gross value added to gross fixed assets	30.8	31.4	29.0
18. Raw materials consumed to value of production	47.4	48.0	48.9
D. SOURCES AND USES OF FUNDS RATIOS @			
19. Gross fixed assets formation to total use of funds	(42.4)	53.8	61.8
20. Gross capital formation to total use of funds	(53.5)	67.1	66.8
21. External sources of funds to total sources of funds	(68.6)	57.7	60.0
22. Increase in bank borrowings to total external sources	(11.3)	26.2	18.5
23. Gross saving to gross capital formation	(56.2)	60.6	60.7
E. PROFITABILITY RATIOS			
24. Gross profits to total net assets	11.1	12.3	10.6
25. Gross profits to sales	14.8	15.9	14.4
26. Profit after tax to net worth	15.5	15.9	12.0
27. Tax provision to profits before tax	18.4	20.3	25.6
28. Profits retained to profits after tax	74.0	74.7	68.6
29. Dividends to net worth	4.0	4.0	3.8
30. Dividends to ordinary paid-up capital	23.6	27.1	26.6

Note : @ Adjusted for revaluation, etc.

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

Figures in brackets relate to 700 companies for the previous study.