

**Financial Statements Analysis and Reporting**  
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**Lecture – 43**  
**Liquidity Ratios-Grasim Industries Part-II**

Welcome students. So, we were talking about the calculation of the liquidity ratios, and in my previous discussion we discussed how to calculate the quick ratio, and in the quick ratio we saw here that current assets minus inventories are to be taken in the numerator, but in the denominator some changes are also required to be done, and that is current liabilities which are taken as it is. Current liabilities plus short time debt, that as to be taken as a denominator in the current ratio, but for calculating the quick ratio some changes, some adjustment should be done in the denominator also. So, the current liabilities plus we should take the short term loan, net of the working capital limit. It means total short term loan minus the working capital limit, whatever the working capital limit is that should be subtracted, and that should not be taken into account.

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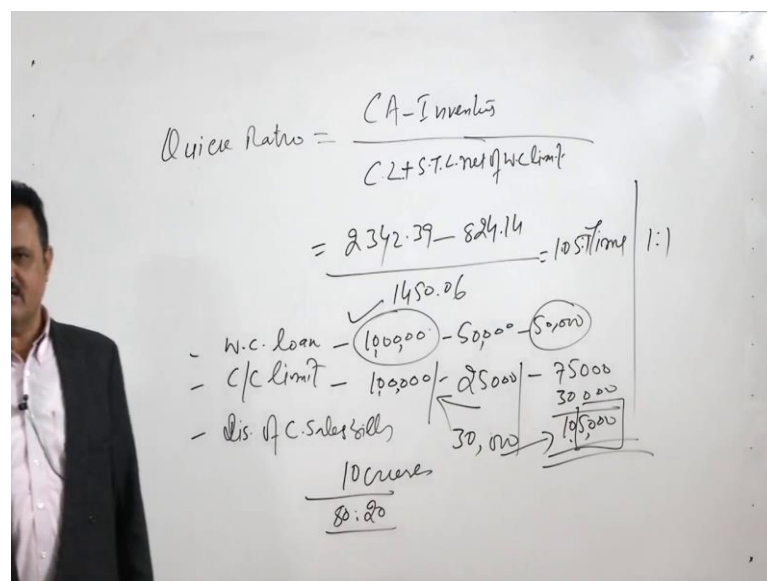
<b>Further Information:</b>	
1.	Share capital comprises 9,16,89,485 equity shares of Rs. 10 each fully paid-up.
2.	Tax rate 35%.
3.	Share capital as on 31-03-2005 was the same as in succeeding years.
4.	Reserves and surplus as on 31-03-2005 was Rs. 4,236.66 crores.
5.	Secured loans include short-term debt of Rs. 331.20 crore as at 31-03-07 and Rs. 198.31 crore as at 31-03-06.
6.	Unsecured loans include short-term debt of Rs. 75.51 crore as at 31-03-07 and Rs. 144.61 crore as at 31-03-06.
7.	All short-term debts represent working capital borrowings.
8.	Long term debt Rs. 182.27 crores was redeemed during 2006-07.
9.	Other income includes operating income of Rs. 40.24 crores and Rs. 30.33 crores for 2006-07 and 2005-06 respectively.
10.	Closing market price of the share (source: <a href="http://www.bseindia.com">www.bseindia.com</a> ):
	• As on 31-03-2007.....Rs. 2,091.25
	• As on 31-03-2006.....Rs. 2,057.95
	• In between reached high of Rs. 2778.60 in January 2007 end.
11.	BSE Sensex (Source: <a href="http://www.bseindia.com">www.bseindia.com</a> ):
	• As on 31-03-2007 .....Rs. 13,072.10
	• As on 31-03-2006 .....Rs. 11,279.96

So, in this case when we found in case of the Grasim industries, we have seen here that your, say entire short term debt is per point number 7, all short term debts represent working capital borrowings. So, once these are the working capital borrowings all, it means we will have to subtract that. So, we subtracted it and then we taken the

denominator as only current liabilities and provisions, which works out as 1450.06, and when we worked out the limit; that means, the ratio that came out as 1.05 is to 1 and 1 is to 1. It means the ratio is at the satisfactory level. The standard rule of thumb is that is the 1 is to 1, and in this case also we have found that the quick ratio is 1.05 is to 1 and 1 is to 1 for the previous year. So, it means it is value within the rule and quick ratio is fine.

So, I was talking to you about the working capital limit, net of working capital limit. So, let us just understand what is the working capital limit. See when there is a need to the firms for having the short term finance. Short term finance is required by the firms for meeting it is day to day short term expenses, and in that case we need the funds for buying raw material, paying for utilities, paying for the wages to the workers, may be after 30 days, but we need money. So, sometime when the firms face a liquidity problem or they do not want to keep more amount of the cash as cash. In that case they get a limit sanction from the bank. This working capital finance, short term finance from the banks can be had by the firms in three manners, and these three manners are; one is the working capital loan and then the second is the C C limit, cash credit limit, this is called as the C C limit, and then third one is the discounting of credit sales bills, credit sales bills.

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Quick Ratio =  $\frac{CA - \text{Inventories}}{CL + \text{S.T.L. net of W.C. limit}}$

$= \frac{2342.39 - 824.14}{1450.06} = 1.05 \text{ times } 1:1$

Working Capital Limit Calculations:

- W.C. loan -  $(100,000 - 50,000 - 50,000)$
- C/C limit -  $100,000 - 25,000 - 75,000$
- Dis. of C. Sales bills -  $30,000$

100,000

80,000

So, this is the these are the three ways to have the working capital finance from the banks, then you take the working capital loan it becomes the short term debt, and that we are including in the current liabilities for calculating the quick ratio, and what is the C C limit, let us discuss the third first. Discounting of the credit sale bills as I discussed with you, sometime back also that when the forms along credit and the buyer for this firm or from Grasim industry say, they have to pay after the end of the credit period.

It means if credit period given by Grasim industries to their buyer this 2 months, it means the firm is not going to receive these funds back before 2 months or 60 days, but in the mean time if the firm requires funds, Grasim industry require funds they can go to the bank, they can tell the bank that look we have sold to this firm, it is having a good crediting in the market it is the credit worthy firm, we have shown them on credit they will pay as after 60 days. So, why not you buy this bills from us, and on the 60th day when the payment bill come he with to us or we will direct them to pay to you directly, you can adjust the advance payment given to us, take charge some interest on that, and some administrative charges and commission, and if some balance is left, then you can return this back to us.

So, this is a discounting of credit sale bills, but C C limit, working capital limit or the C C limit, C C limit or the working capital limit is the one, where when the firms need the short of finance they do not want to have the working capital loan, because the difference between C C and the working capital loan is that when you take the working capital loan. Say for example, some firm has taken a working capital loan of 1,00,000 rupees, and that loan is taken on the first of January 2016, and one an average during the whole year of the 2016 the firm as withdrawn 50,000 rupees out of this and remaining 50,000 rupees are lying unused in the account. So, it is not the problem of the bank, that is of the firm uses entire 1,00,000 rupees sanction to the firm, or the firm uses 50 percent out of it, from uses 25 percent out of it, or 75 percent amount of it, or entire amount out of it, firm has to pay back to the bank the total amount back how much is used and unused plus the interest on the 1,00,000 rupees which is the sanctioned amount.

So, in the entire loan amount whether they use that loan, because bank sanctions and that transfer the money to your account, as and when you need money he withdraw for example, firm received truck load of raw material they have to make a payment of 25,000 rupees, they can withdraw from this loan account right. So, on and on an average

they found therefore, the whole of the year they have withdrawn, sometime they withdraw 20,000 sometimes they withdraw 10,000 5,000. So, may be total withdrawal they have done for the whole of the years is 50,000.

So, they use 50,000, but they are paying in trust on the entire amount of 1,00,000 rupees. So, it means that extra interest they have paid even on the unused part of the loan. So, they do not want to take the working capital loan. So, they want the working capital assistance from the bank or the loans from the bank in the form of C C limits or the cash credit limits. Now in case of C C limits what happens? When any firm applies to the bank for having the cash credit limit, then that bank sanctions a limit of 1,00,000 rupees, and that amount of 1,00,000 rupees will be credited or will be transfer to the firms current account in the bank. So, it will be transferred.

So, as and when now the firm requires money. So, for example, firm received a truck load of raw material and they require 25,000 rupees out of this 1,00,000. So, the firm has withdrawn 25,000 rupees. Next day morning when they got some sales collection to the extent of 20,000 rupees they deposited back, say 20,000 rupees it means the firm used that 25,000 rupees withdrawn today for buying of raw material for how much time. Tomorrow they returned 20,000 rupees out of that and day after tomorrow they received another 5,000 rupees and they deposited back in the C C limit account. So, they use out of the 25,000 rupees withdrawn, they use first 20,000 rupees only for 24 hours 1 day and second is the another 5,000 they used for 2 days.

So, firm as to pay the interest only on 20,000 for only one day, and the remaining 5,000 only for 2 days. So, this here what happens whether the bank sanction 1,00,000 or 10,00,000, whatever the amount out of the firm the bank out of the account the firm is using firm as to pay the interest only on the used amount withdrawn amount, and for the period for which it is used. Not for the whole of the amount, not for the whole of the period. Now this is the major difference between the working capital loan and the C C limit.

So, most of the forms what, that they should get the working capital finance from the banks through C C limits not through the working capital loans, because this way they have the flexibility. they have the funds in their account as and when they need money they withdraw from this account, they use it for the number of days they want to use it,

when that money is surplus firm with the firm, they return it back to the bank and they pay only interest for that much number of days, on that much amount which is withdrawn, not on their total amount of the limit; that is sanctioned and allow to the firm to be withdrawn.

But here this is the negative part of this C C limit is, working capital limit is that. Firms are not allowed to keep two accounts in the bank or any one account in the one bank and another account in another bank. It may not be, it may be a like this that when you want to withdraw 35,000 rupees for paying the truck load of raw material you withdraw from this account. Now tomorrow you received 25,000 rupees as a sales collection and that you deposit it in another account; that is not allowed, that is not permissible, that is not allowed. You will maintain only one account, you will withdraw funds whenever there is a requirement, you will withdraw from the C C limit account.

But when you have the collected the sales, you have to return it back to the C C limit account and you have to deposit the money in the C C limit account. For example, it becomes say next day morning when the selections. Sorry collections come to the firm, collections comes to the extent of 30,000 rupees. So, firm as withdrawn 25,000 rupees, and firm has got the receipts of 30,000 rupees. So, they will withdraw 25,000 rupees. So, the balance of the C C limit will come down to 75,000 rupees, but next day morning when they will get 30,000 rupees collect 30,000 rupees they will deposit that 30,000 rupees back in the same account, balance will become that is the, say again what was the, how much is the amount withdrawn; that is they have withdrawn 25,000 rupees.

So, what is the balance left here 75,000 in this account, and next day morning when they got the collections of the credit sales, that was 30,000 rupees. So, now, the balance of this account will become 100 and 5,000 rupees, it means 1,05,000 rupees. So, now, this 5,000 extra cannot be kept anywhere else. This has to be kept in the same account. So, sometime the C C limit accounts was also balance in this account, can be more than what is sanctioned by the bank, because you see your withdrawal and deposits are through the same account.

So, here if you withdraw the 25,000 rupees, you use it for 2 days you will pay the interest only on 25,000 rupees, only for a period of 2 days, and for the remaining 75,000 rupees no interest will be paid this is the cost we born by the bank, but negative part here is that

now is the balance in the C C limit account, working capital limit has become positive, it is not 1,00,000 it is 1,05,000. So, on this additional 5,000 you will not get any interest. So, you will also note, if there is any surplus amount you will not get any interest, but the firms will not get any interest on that amount. And other way round when the firms withdraw only it will be paying interest on that part, which is withdrawn out of the working capital limit, they will not be paying the interest on the whole of the amount sanctioned amount that is 1,00,000, which is happening in case of the working capital loan account.

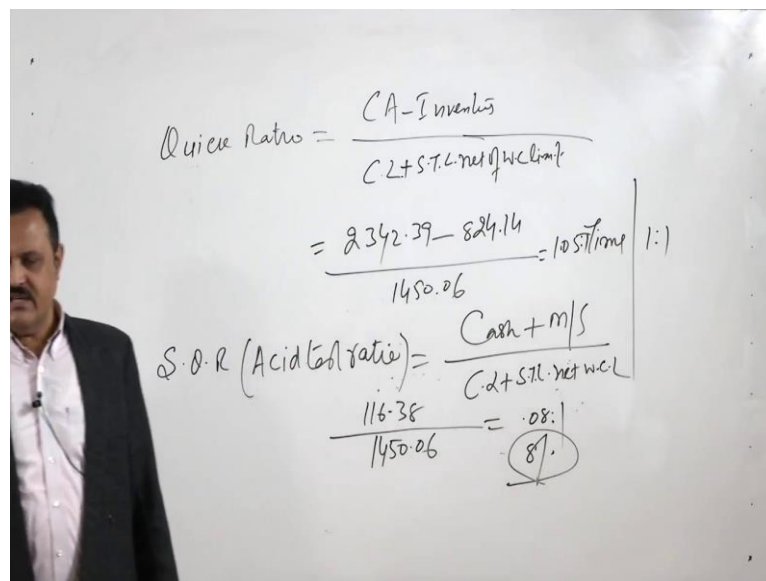
So, people want, firms what that more short of word should come in the firm of the working capital limit, not as a working capital loan, and then third one is a discounting of the credit sale bills which I have already talked to you. So, now, the RBI he has put after 97 98 monetary policy. RBI has put a, means given a direction to the banks, that this habit of withdrawing more money short of finance from the working capital limit should be avoided, and the firms it should be, say guided or should be educated that they should seek more working capital finance through working capital loans. So, that the pressure on the banks can be brought down, and they have fixed the limit now that now the it is only directive, it is should not a directive, but it is guide line it is given to the banks where RBI that, if there is a requirement of working capital for any firms equivalent to 10 crores or above, the requirement is equivalent to 10 crore or above, then 80 percent of the working capital should be given as a working capital loan and 20 percent should be given as a C C limit.

So, the ratio should be 80 20 and gradually over the years this limit as to be brought down for 10 crores to less than 10 crores. So, that we can shift from the, say the C C limit kind of the system to the working capital loan, and the working capital loan can be made as a most popular way of getting the short term finance, rather than through the C C limits. So, this is the working capital limit, and how it works, or how it functions, and how the firms withdraw money, or make use of the short term finance through the working capital limit. So, as there is a change in the numerator in case of the quick ratio, we have from the total current assets we have subtracted the inventory.

Similarly, in case of the current liabilities also, in the denominator part in the current liabilities, we have taken total of the current liabilities plus short term debts, short term loans, but minus working net of, it is the net of the working capital limit is how much is

being used as a working capital limit, that cannot be considered as a short term debt, and we are found in this case, that entire short term debt is, as a working capital limit from the banks. So, in that case that amount has not to be considered here. So, only we have taken the current liabilities and provisions which is 1450.06 crores. So, calculate the ratio we have found that it is well within the standard rule of thumb, and that is the 1 is to 1. So, they are maintaining a, say a good optimum current quick ratio. Now, we calculate the next ratio that is called as the super quick ratio, or you call it as the acid test ratio.

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Handwritten calculations on a whiteboard:

$$\text{Quick Ratio} = \frac{CA - \text{Inventories}}{CL + \text{S.T.L. net of w.c. limit}}$$

$$= \frac{2342.39 - 824.14}{1450.06} = 1.057 \text{ times } (1:1)$$

$$\text{S.O.R (Acid Test Ratio)} = \frac{\text{Cash} + \text{M/S}}{CL + \text{S.T.L. net of w.c. limit}}$$

$$= \frac{116.38}{1450.06} = 0.081$$

The value 0.081 is circled in the original image.

This ratio is called as the acid test ratio, this is another ratio. Acid test ratio, and for calculating the acid test ratio we should take here the cash, plus marketable securities. Cash in hand and cash at bank plus marketable securities means very short term, liquid investment almost kind of divided by the current liabilities plus short term loan net of working capital limit. So, it means in this case also, the denominator will remain the same, that the denominator is 1450, because the short term debt is only net of the, if we take the short term loan, entirely it is the working capital limit, but in case of the numerator now we have to take the cash and marketable securities. So, let us see how much is the cash and marketable securities, is there any amount of the marketable securities here, very short term investments.

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Fixed Assets held for disposal			14.33	12.76
Investments	6		4,274.70	3,481.71
Current Assets, Loans and Advances				
Interest accrued on Investments		0.70		1.46
Inventories	7	824.14		750.73
Sundry Debtors	8	576.48		413.45
Cash and Bank Balances	9	116.38		155.58
Loans and Advances	10	<u>824.69</u>		705.54
		<u>2,342.39</u>		2,026.76
Less:				
Current Liabilities and Provisions				
Liabilities	11	1,266.86		969.15
Provisions	12	<u>183.20</u>		<u>304.22</u>
		<u>1,450.06</u>		<u>1,273.37</u>
Net Current Assets			<u>892.33</u>	<u>753.39</u>
TOTAL			<u>9,764.15</u>	<u>7,546.13</u>

Let us check in the balance sheet, if we check in the balance sheet, we have the cash and bank balance is, which is 116.38 crore, but I think there is no short term investment, interest on accrued, interest accrued on investments. these are the long term investments I guess, because we have given the long term investments here in the assets, if you look at the assets side of the Grasim industries, just we have the investments yes this investment is 4274.70 crore.

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GRASIM INDUSTRIES LIMITED				
Balance Sheet				
AS ON 31 <sup>st</sup> March 2007				
	Schedule		Current Year	Previous Year
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	91.69		91.69
Reserve and Surplus	2	<u>6,138.35</u>		<u>4,890.39</u>
			6,230.04	4,982.08
<b>Loan Funds</b>				
Secured Loans	3	2,291.00		1,386.12
Unsecured Loans	4	<u>660.56</u>		<u>593.55</u>
			2,951.56	1,979.67
Deferred Tax Liabilities			582.55	584.38
TOTAL			<u>9,764.15</u>	<u>7,546.13</u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	6,770.97		6,114.12
Less: Depreciation/Amortization		<u>3,380.53</u>		<u>3,109.49</u>
Net Block		<u>3,390.44</u>		<u>3,004.63</u>
Capital Work-in-Progress		<u>1,192.35</u>		<u>293.64</u>
			<u>4,582.79</u>	<u>3,298.27</u>



But there are the long term investments. if we talk about these this interest, this is on the long term investments, when we talk on inventories then interest debtors cash and bank balances, loans and advances. So, if there is no short term investment, there is no marketable securities, but there is no short term investment then there is no marketable security we cannot take it. So, we will only the cash part, and cash is how much this is 116.38 crores. So, it is 100 and 16.38 crore and this is the numerator. So, the numerator here is, this much, if we calculate this ratio how much it works out as, it works out as 0.08 is to 1. So, it is almost 8 percent. Now the total current liabilities the cash and bank balance is part is only 8 percent, cash and bank balances is part is only 8 percent.

So, this is not a very good amount, but if you look at the overall level of the current assets, and if you compare it with the current liabilities, super quick ratio keeping 8 percent of the cash is not bad. We are keeping sufficient amount of the cash, as I told you they are keeping higher amount of the cash also, is not justified, is also not acceptable, it is not worthwhile, because the cost increases. So, I think they are keeping very nominal, optimum amount of the cash; that is 8 percent as compared to their liabilities. So, the asset test ratio is also within range, and I think, because of this very if we call it as the provident financial management, the overall performance of the firm as improved. We can make out that yes this firm is managing it is operations well, this firm is managing it is finances well, this firm managing it is distribution as sales well, this firm is managing almost all it is financial and operating part well. So, that their overall performance is very good and it is excellent.

Now, we calculate the other three ratios, they are the turn over ratios, but they are for studying the liquidity position of the firm, and when you talk about the turn over ratios. Here we talk about the debtor's turnover ratio.

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$$\begin{aligned} DTR &= \frac{\text{Total Sales}}{\text{Avg. Dts}} \\ DCP &= \frac{365 \times \text{Avg. Dts}}{\text{Total Sales}} \\ CTR &= \frac{\frac{576.48}{9607.7} \times 365}{\text{Total Purchase}} = 22 \text{ Days} \end{aligned}$$

So, debtors turnover ratio we will, we have calculated, we have learned that how to calculate the DTR. I told you that it should be calculated by, we should take the credit sales, but since credit sales information is not available in the balance sheets. So, we should take it total sales; total sales divided by the average debtors, total sales divided by the average debtors and total sales and average debtors that is the DTR, and if you get the DTR then you have to calculate the DCP debtors collection period, and for debtors collection period you have to do is, that is 365 divided by DTR, that is 365 divided by the debtors collection period.

So, if you replace this DTR by the ratio. So, the ratio becomes total sales, it will become reverse. So, it will be average debtors, average debtors divided by the total sales. So, 365 into average debtors, or receivables, you can see average receivables divided by the total sales. So, in this case we can find out the DCP directly. So, I rather than calculating it into two steps, you can ignore this and here if you calculate this data collection period. So, we find let us see what is the debtor collection period for the Grasim industries, and if we calculate the DCP for the Grasim industries we will see here that how much is the debtors collection period, for Grasim industry.

What is the level of receivables are the sundry debtors for the Grasim industries, sundry debtors that 576.48 crore. So, it is, we are taking the closed figure, we are not taking the

average figure, we are taking the closing figure. So, it is the 576.48 crore for Grasim, and the total sales of this firm are, which we have to take the total sales here.

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GRASIM INDUSTRIES LIMITED Profit and Loss Account for the year ended AS ON 31 <sup>st</sup> March 2007			
	Schedule	Current Year	Previous Year
<b>INCOME</b>			
Gross Sales		9,607.97	7,638.41
Less: Excise Duty		<u>1,004.38</u>	<u>985.80</u>
Net Sales		8,603.59	6,652.61
Interest and Dividend Income	13	113.27	67.53
Other Income	14	168.49	152.41
Increase/(Decrease) in stocks	15	<u>(16.44)</u>	<u>(43.48)</u>
		<u>8,868.91</u>	<u>6,829.07</u>
<b>EXPENDITURE</b>			
Raw materials consumed	16	2,219.32	1,822.69
Manufacturing Expenses	17	1,744.33	1,580.34
Purchases of Finished and Other Products		321.16	240.15
Payments to and Provisions for Employees	18	459.40	407.64
Selling, Distribution, Administration and Other Expenses	19	1,505.69	1,181.33
Interest	20	111.84	103.38
Depreciation and Amortisation		317.91	291.64
		<u>6,679.65</u>	<u>5,627.17</u>

Let us check what is the level of total sales here, let us go to the P and L account if you go to the P and L account, P and L statement we will find the Grasim industries sales level, and this is level we have to take the gross sales. So, gross sales is 9607. So, if we take the gross sales level is; that is 9607, 9607.97 and multiplied this by 365. So, you will find that our closing debtors are 9607. Sorry closing debtors are 576.48 crore and our total sale inclusive of excise duty, they are 9607.97 crore into 365. So, you can state by calculate the DCP; that is the debtors collection period, and if you calculate the DCP debtors collection period for Grasim industries this works out as 22 days for the year 2006 and 7, and 5 and 6 it was 20 days.

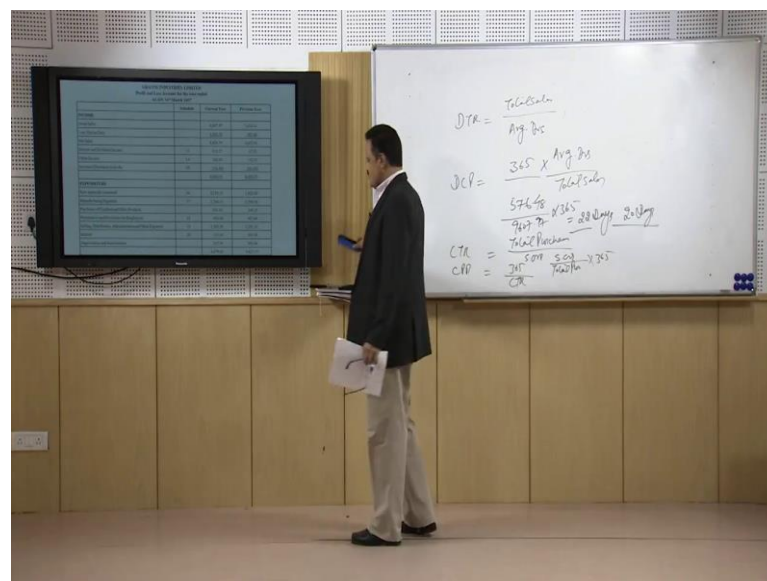
So, almost you can see largely, it is the amount that is revolving around the 20 days, 20 days of the credit this company is giving to it is credit bias. I told you that India if you talk about the average of Indian scenario, that normally the credit period, which the average firm in the market gave is 45 to 60 days, that one and half month to two months credit period is normally is permissible or it is allowable, but you see, because of the good operating structure of the firm, and very sound financial structure of the firm, and having a good command in the market, or in the say segment in which they are operating; Grasim industries only running the show by giving only the credit period

around 20 days. They are not allowing the credit sales beyond 20 days, maximum is 20 days credit period they are giving. So, it means who can minimize the credit period, who has the demand for this product in the market.

So, they are giving the credit, but they are managing the show by 20 days; only one third of the standard credit period in the market. So, it means they are only selling for 20 days, and after 20 days there buyers have to pay back to the Grasim. This is the one part very good again. So, when we talked about the three first liquidity ratios, we found current ratio was really wonderful, quick is ratios well within the range, means current ratio is less than the rule of thumb, then quick ratio is well within the range super quick ratio is very good only 8 percent cash they are keeping, and when we talk about the collection period, collection period is also 22 days or around 20 days. So, it is again a very wonderful result, and then we calculate the one more ratio, then we will close the discussion today; that is a credit payment period.

Let us calculate the CCP credit payment period. So, for calculating the credit payment period, again we have to, we were taking here the total purchases, total purchases divided by say sundry creditors, total purchase divided by sundry creditors this is the creditors turnover ratio, this will be giving us the CTR creditors turnover ratio,

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but if you say and if you have to calculate the creditors payment period, you have to do that is the 365 divided by CTR; that is a creditors turnover ratio. So, if you take this, you

will be taking reverse of it. So, the ratio will become like; that is the sundry creditors divided by total purchases multiplied by 365. Now, let us calculate this ratio and try to find out that, if they are giving selling on a credit for will 20 days, how much credit they are getting from their suppliers, and then come make a comparison of the two things.

Now, let us take that what is the level of sundry creditors, let us go to the balance sheet of the Grasim industries, and let us check the level of credit sales. Credit says if you talk about the creditors if you talk about the creditors here. So, we assume that all the current liabilities are the sundry creditors. So, we have not given the details, but we will assume that all the current liabilities are the sundry creditors, because your short term debt is the C C limit. So, let us take this is a sundry creditors, and this is total of this sundry creditors is this 1266; 86 divided by, how much is the total purchase is. If you talk about the total purchases, we will have to say take two things here. We will take the material consumed, and if we take the material consumed is 2219, and then there are some finished goods also purchased we will have to total it up. So, material consumed plus purchase of the finance products, these two we will take. So, this will become the total purchase and this becomes the 2540, total denominator is 2540, and if we take this 2540.48 and multiplied by 365 then this ratio works out as the 182 days, and other is 171 days it means.

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Handwritten calculations on a whiteboard:

$$\frac{1266.86}{2540.48} \times 365 = 182 \text{ Days, 171 Days}$$

$$DCP = \frac{365 \times \text{Avg. Ds}}{\text{Total Sales}}$$

$$\frac{576.48}{9607.77} \times 365 = 22 \text{ Days, 20 Days}$$

$$CTR = \frac{5000}{365}$$

$$CR = \frac{5000}{\text{Total Pur}} \times 365$$

Now, look at the difference, this is a contrast. When there to give the credit in the market, they are not giving more than 22 days, but when they have to seek the credit they are getting the credit from the market for 6 months. Now this shows the command Grasim industries having in the market. They are dictating the terms on their suppliers. suppliers are ready even to give the supplies or to extend the supplies, for a period of 6 months also and they are ready to accept the payment even after 6 months, but when they have to, when the company Grasim industries has to sell their product in the market, they are not giving the credit beyond 20 days, this is the command and this command is reflected in the financial statements, if you look at the balance sheet of the Grasim industries, if you look at the income statement of the Grasim industries, you will find it that this is reflected in the financial statements itself, and this is proven by this analysis also that only who can get more credit and give less credit in the market, who is the better credibility in the market.

So, the Grasim industries has much more credibility in the market; that is why they are only selling very limited part of the shares on credit, and just be the one third of the credit period, standard credit period, but when they have to get the credit from the market, people are ready to give them the credit for the 6 months also and even more than 6 months. So, it means this is a reflected from this analysis also, and this is a reflected from these financial statements also, and you can make sure that what is reflected in the financial statements; that is proven by that this firm has the mighty strength, financial strength in the market and the firm is doing exactly, or exceedingly well in the market, and means when we will calculate other issues also. We will come to know this is the other friends also, the firm is doing, means the accidentally exceedingly well in the market, and means overall performance of the Grasim industries will be rated as excellent.

So, remaining ratios and other parts of discussion we will, is other points of discussion and the remaining ratio, say one ratio in the liquidity that is the inventory turnover ratio, and the other important say turnover ratios, then we will be talking about the capital market ratios, and then we will be talking about the profitability ratios, that are we talking up in the next part of discussion.

Thank you very much.