Net debt and the debt-equity ratio

For the teacher. Every number comes from the filing named next to it.

Part A. Your guess

Any guess counts. HUL had ₹0 crore of borrowings and ₹7,495 crore of cash and liquid investments.

Part B. A made-up stationery company

B1: ₹50 lakh − ₹20 lakh = ₹30 lakh. B2: ₹30 lakh ÷ ₹60 lakh = 0.5 : 1. B3: ₹50 lakh ÷ ₹60 lakh = 0.83 : 1. The company is made up.

Part C. Four companies

HUL: net cash ₹7,495 crore; ratio 0. Britannia: net cash ₹633 crore; ratio 0.27. NTPC: net debt ₹2,67,870 crore; ratio 1.29. JSW Energy: net debt ₹71,673 crore; ratio 2.21.

Where: HUL FY26 annual report; Britannia, NTPC and JSW Energy Q2 FY27 results, consolidated balance sheets

Part D. The textbook version

D1: NTPC ₹2,17,884 crore ÷ ₹2,13,471 crore = 1.02. D2: JSW Energy ₹69,095 crore ÷ ₹36,710 crore = 1.88. D3: the textbook version leaves out short-term borrowings (current borrowings), so the top of the fraction is smaller.

Part E. Six months later

E1: net debt ₹814 crore (₹2,595 crore − ₹1,781 crore). E2: 0.61. E3: borrowings rose and equity fell; the ₹2,172 crore of dividends paid in the half year is one reason equity fell.

Exit ticket

1: net debt = borrowings − cash and liquid investments; debt-equity ratio = long-term debts ÷ shareholders' funds. 2: borrowings, cash and equity change every day, so the ratio is true only on the balance-sheet date. 3: any of when the debt must be repaid, what it pays for, the interest rate, or whether profits cover the interest.

Notes

- Ratios within 0.01 of the key count as right; net debt within ₹2 crore counts as right (rounding).
- Britannia's textbook ratio on 31 Mar 2026 was 0.06: most of its borrowings were short-term.
- Never award marks for calling a ratio good, bad, safe or risky. Marks go to the working, the date and the explanation of what moved.

Sources

1. S1: Integrated Annual Report 2025-26 (FY26), incl. standalone and consolidated financial statements, Hindustan Unilever Limited, filed with NSE, 2 Jun 2026.

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https://nsearchives.nseindia.com/annual_reports/AR_29330_HINDUNILVR_2025_2026_A_21643813_02062026215058.pdf

2. S2: Q2 FY27 results (consolidated and standalone, limited review), outcome of board meeting 5 Nov 2026, Britannia Industries Limited, filed with NSE, 5 Nov 2026. https://nsearchives.nseindia.com/corporate/BRITANNIA1_05112026182929_Outcome_of_the_Board_Meeting.pdf
3. S3: Unaudited financial results Q2 FY27 (quarter and six months ended 30 Sep 2026), standalone and consolidated (board outcome 31 Oct 2026), NTPC Limited, filed with BSE and NSE, 31 Oct 2026. https://www.bseindia.com/xml-data/corpfiling/AttachLive/763a3c28-d8b4-4cfb-83b1-854c78ab5c26.pdf
4. S4: Consolidated results XBRL Q2 FY27, incl. half-year balance sheet (integrated filing), JSW Energy Limited, filed with NSE, 28 Oct 2026. https://nsearchives.nseindia.com/corporate/xbrl/INTEGRATED_FILING_INDAS_1748147_28102026071428_WEB.xml
5. S5: Annual Report FY26 (2025-26), incl. consolidated financial statements, InterGlobe Aviation Limited (IndiGo), filed with NSE, 28 Jul 2026. https://nsearchives.nseindia.com/annual_reports/AR_30032_INDIGO_2025_2026_A_16514151_28072026132713.pdf
6. S6: Accountancy Part II, Class XII, Chapter 5: Accounting Ratios (Reprint 2026-27; the PDF prints no date, accessed 16 Nov 2026), National Council of Educational Research and Training (NCERT), 16 Nov 2026. https://ncert.nic.in/textbook/pdf/leac205.pdf
7. S7: Accountancy (Code 055), Senior School Curriculum 2026–27 (dated 13 Mar 2026 by the CBSE server, checked 15 Nov 2026), Central Board of Secondary Education (CBSE), 13 Mar 2026. https://cbseacademic.nic.in/web_material/CurriculumMain27/SecPart2/Accountancy_SecP2_2026-27.pdf
8. S8: Unaudited results Q2 FY27 (quarter and half year to 30 Sep 2026), standalone and consolidated, with board outcome and media release, JSW Energy Limited, filed with NSE, 28 Oct 2026. https://nsearchives.nseindia.com/corporate/KRUTIKAJSWEL_28102026151509_Outcome.pdf

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