CHAPTER - VI

SUMMARY OF FINDINGS, AND SUGGESTIONS AND CONCLUSIONS
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6.1. SUMMARY OF FINDINGS


- It is concluded that Current ratio ranged from 1.12 to 2.33 among the Companies and it is higher in Grasim Cement whereas it is least in ACC Cement during the period undertaken for the present study. The least C.V 13.13 per cent in ACC Cement indicates the consistent performance of this ratio.

- It was found that Quick ratio ranged from 0.57 to 2.20 among the Companies and it is higher in India Cement whereas it is least in ACC Cement during the period of study. The least C.V 16.61 per cent in Ambuja Cement indicates the consistent performance of this ratio.

- It was inferred that Working Capital turnover ratio ranged from 5.63 to 35.22 among the Companies and it is higher in Ambuja Cement whereas it is least in India Cement during the period of study. The least C.V 27.45 per cent in Madras Cement indicates the consistent performance of this ratio.
• It was concluded that Inventory turnover ratio ranged from 9.67 to 17.52 among the Companies and it is higher in JK Cement whereas it is least in Ambuja Cement during the period of study. The least C.V 28.35 per cent in Ambuja Cement indicates the consistent performance of this ratio.

• The Mean Inventory to Sales ratio ranged from 1.08 to 12.55 among the Companies and it is higher in India Cement whereas it is least in ACC Cement during the period for study. The least C.V 19.20 per cent in India Cement indicates the consistent performance of this ratio.

• It was found that Inventory to Current asset ratio ranged from 48.98 to 67.36 among the Companies and it is higher in Ambuja Cement whereas it is least in India Cement during the period for study. The least C.V 10.85 per cent in JK Cement indicates the consistent performance of this ratio.

• The Inventory to Working capital ratio ranged from 1.27 to 10.38 among the Companies and it is higher in Grasim Cement whereas it is least in Madras Cement during the period for study. The least C.V 22.15 per cent in JK Cement indicates the consistent performance of this ratio.
• The mean Raw material to turnover ratio ranged from 1.29 to 5.52 among the Companies and it is higher in Grasim Cement whereas it is least in India Cement during the period for study. The least C.V 16.56 per cent in Ultra tech Cement indicates the consistent performance of this ratio.

• The Work in progress to Turnover ratio ranged from 10.61 to 17.12 among the Companies and it is higher in Grasim Cement whereas it is least in ACC Cement during the period for study. The least C.V 11.77 per cent in Ultra tech Cement indicates the consistent performance of this ratio.

• The Finished goods to Turnover ratio ranged between 21.52 to 48.81 among the Companies and it is higher in Madras Cement whereas it is least in Grasim Cement during the period of study. The least C.V 15.68 per cent in Ultra tech Cement indicates the consistent performance of this ratio.

• It was analysed that the mean Debtors turnover ratio ranged from 7.78 to 38.38 among the Companies and it is higher in Ambuja Cement whereas it is least in India Cement during the period for study. The least C.V 25.20 per cent in India Cement indicates the consistent performance of this ratio.
- The Average collection period ranged from 13.60 to 50.14 among the Companies and it is higher in India Cement whereas it is least in Ambuja Cement during the period for study. The least C.V 29.38 per cent in India Cement indicates the consistent performance of this ratio.

- The Cash in current asset ratio ranged from 7.04 to 22.53 among the Companies and it is higher in JK Cement whereas it is least in Grasim Cement during the period for study. The least C.V 15.20 per cent in Ultra Tech Cement indicates the consistent performance of this ratio.

- The Cash turnover ratio ranged from 7.07 to 66.17 among the Companies and it is higher in Ultra tech Cement whereas it is least in JK Cement during the period for study. The C.V least 10.39 per cent in Ultra tech Cement indicates the consistent performance of this ratio.

- The Cash to total fund ratio ranged from 16.06 to 45.59 among the Companies and it is higher in Grasim Cement whereas it is least in Ambuja Cement during the period for study. The C.V least 22.07 per cent in Ultra tech Cement indicates the consistent performance of this ratio.

- The Creditors turnover ratio ranged from 3.53 to 13.75 among the Companies and it is higher in Madras Cement whereas it is least in Ambuja Cement during the period for study. The C.V least 20.83 per cent in Ultra tech Cement indicates the consistent performance of this ratio.
• The Average payment period ranged from 28.69 to 141.21 among the Companies and it is higher in Ambuja Cement whereas it is least in Madras Cement during the period for study. The C.V least 10.35 per cent in Grasim Cement indicates the consistent performance of this ratio.

• The Creditors to inventories ratio ranged from 3.52 to 10.17 among the Companies and it is higher in JK Cement whereas it is least in Ambuja Cement during the period for study. The least C.V 28.64 per cent in Ultra tech Cement indicates the consistent performance of this ratio.

• The Creditors to working capital ratio ranged from 0.27 to 2.92 among the Companies and it is higher in JK Cement whereas it is least in Madras Cement during the period for study. The least C.V 41.65 per cent in India Cement indicates the consistent performance of this ratio.

• The Creditors to cash ratio ranged from 0.95 to 20.45 among the Companies and it is higher in India Cement whereas it is least in Ultra tech Cement during the period for study. The least C.V 57.16 per cent in Ambuja Cement indicates the consistent performance of this ratio.

• The Operating cash flow to sales ranged from 13.16 to 21.59 among the Companies and it is higher in JK Cement whereas it is least in Ultra tech Cement during the period of study. The least C.V 32.10 per cent in Grasim Cement indicates the consistent performance of this ratio.
• The Debt equity ratio ranged from 0.49 to 2.71 among the Companies and it is higher in India Cement whereas it is least in Grasim Cement during the period for study. The least C.V 26.76 per cent in Madras Cement indicates the consistent performance of this ratio.

• The Interest coverage ratio ranged from 2.78 to 19.30 among the Companies and it is higher in Ambuja Cement whereas it is least in JK Cement during the period for study. The least C.V 59.76 per cent in Grasim Cement indicates the consistent performance of this ratio.

• It was inferred that the Operating profit ratio ranged from 19.65 to 27.78 among the Companies and it is higher in Madras Cement whereas it is least in ACC Cement during the period for study. The least C.V 19.57 per cent in Grasim Cement indicates the consistent performance of this ratio.

• It was concluded the Gross profit ratio ranged from 7.35 to 25.26 among the Companies and it is higher in Ambuja Cement whereas it is least in JK Cement during the period of study. The least C.V 35.42 per cent in Madras Cement indicates the consistent performance of this ratio.

• It was found that the Net profit ratio ranged from 7.65 to 17.05 among the Companies and it is higher in Ambuja Cement whereas it is least in JK Cement during the period for study. The least C.V 38.18 per cent in Grasim Cement indicates the consistent performance of this ratio.
· It analysed that the Total asset turnover ratio ranged from 0.57 to 2.57 among the Companies and it is higher in Grasim Cement whereas it is least in India Cement during the period of study. The least C.V 15.93 per cent in ACC Cement indicates the consistent performance of this ratio.

· The Return on capital employed ratio ranged from 9.53 to 23.58 among the Companies and it is higher in ACC Cement whereas it is least in India Cement during the period for study. The least C.V 28.06 per cent in Grasim Cement indicates the consistent performance of this ratio.

· The Return on capital employed to net worth ratio ranged from 16.68 to 25.03 among the Companies and it is higher in Ambuja Cement whereas it is least in India Cement during the period for study. The least C.V 29.51 per cent in Grasim Cement indicates the consistent performance of this ratio.

· The Dividend payout ratio ranged from 13.62 to 32.51 among the Companies and it is higher in India Cement whereas it is least in Ultra tech Cement during the period for study. The least CV 11.64 per cent in Ambuja Cement indicates the consistent performance of this ratio.

· As for the presents trends equation in financial parameters of cement Company, the trends forecast positive trends in a number of financial parameters such as Current assets, Current liabilities, Working Capital, sale, Gross profit and net profit.
• The trends in financial parameter of Ambuja Cement Company the trends equation forecast positive trends in number of financial parameters such as Current assets, Current liabilities, Working Capital, Sale, Gross profit and Net profit.

• The trends in financial parameter of Ultra tech Cement Company the trends equation forecast positive trends in number of financial parameters such as Current assets, Current liabilities, Working Capital, Sale, Gross profit and Net profit.

• The trends in financial parameter in Grasim Cement Company trends equation forecast positive trends in number of financial parameters such as Current assets, Current liabilities, Working Capital, Sale, Gross profit and Net profit.

• The trends in financial parameter in India Cement Company trends equation forecast positive trends in number of financial parameters such as Current assets, Current liabilities, Working Capital, Sale, Gross profit and Net profit.

• The trends in financial parameter in JK Cement Company trends equation forecast positive trends in number of financial parameters such as current assets, current liabilities, working capital, sale, gross profit and net profit.
· The trends in financial parameter in Madras Cement Company, the trends equation forecast positive trends in number of financial parameters such as Current assets, Current liabilities, Working capital, Sale, Gross profit and Net profit.

· The step wise multiple regression model indicated that out of the explanatory variables under study, three Variables namely, Interest coverage ratio, Creditor to Working Capital and cash to total fund have all significantly contributed to Y and explained the variations of Y- Working capital turnover ratio to the extent of 99.4 percent

· The step wise multiple regression models indicated that out of the explanatory variables under study, one Variable namely, inventory turnover ratio has significantly contributed to Y-Gross profit ratio and explained the variations of Y to the extent of 82.7 per cent.

· The step wise multiple regression model indicated that out of the explanatory variables under study, two variables namely, Interest coverage ratio and Current ratio have significant contributed to Y-Net profit ratio and explained the variations of Y to the extent of 96.8 per cent.

· The step wise multiple regression model indicated that out of the explanatory variables under study, one variable namely, Debit equity ratio has significantly contributed to Y-Return on Capital employed and explained the variations of Y to the extent of 76.4 per cent.
The step wise multiple regression model indicated that out of the explanatory variables under study, one variable namely, Operating cash flow to sales has significantly contributed to Y-Return on capital employed to Net worth and explained the variations of Y to the extent of 94.0 per cent.

The step wise multiple regression models indicated that out of the explanatory variables under study, one variable namely, Return on capital employed has significantly contributed to Y-Debt Equity Ratio and explained the variations of Y to the extent of 76.4 per cent.

The step wise multiple regression model indicated that out of the explanatory variables under study, two variable namely, Inventory to working capital ratio and inventory turnover ratio have significantly contributed to Y-Total asset turnover ratio and explained the variations of Y to the extent of 99.6 per cent.

Among the ratios, inventory to sales is considered to be more important since its relative importance is higher. This is followed by current ratio and net profit ratio and Creditor turnover ratio. The Creditor to inventory was found to be lower in relative importance.

The Factor analysis condensed and simplified the 30 ratios and grouped into 6 factors explaining 100 per cent of the variability of all the 30 ratios.
• The correlation matrix between current assets and shareholders fund of ACC Cement companies i.e. share capital and reserve and surplus, where the correlation between Current assets and reserves & surplus was 0.945 which was highly positively correlated and significant and Current assets and share capital was highly correlated 0.895.

• The correlation between current assets and other current liabilities of ACC cement companies. The correlation between current assets and sundry creditors 0.953 was highly correlated significant. The correlation between current assets and other current liabilities was negatively correlated and significant.

• The correlation between Total assets and Shareholders’ funds of ACC Cement companies i.e. Reserves and surplus, the correlation between Total assets and share capital was 0.872 which was highly correlated and it’s significant, similarly with Reserve and surplus it was 0.989 and significant.

• The correlation matrix between total assets and shareholders fund. From this analysis it is inferred that Total assets are perfectly correlated with one another. Sundry creditors have higher degree of correlation (0.877) with the total assets. Reserves and surplus have nearly perfect correlation with the sundry creditors. Regarding secured
loan it negatively correlated with the total assets and sundry Creditors and Reserves and Surplus. This is the same in the case of unsecured loan. As far as Current liability is concerned, it has high degree of positive correlation with the Total Assets, Sundry Creditors and Reserves and Surplus and high degree of negative correlation with secured loan.

- The correlation matrix between Current assets and Shareholders fund of Ambuja Cement Companies i.e. Share Capital and Reserve and Surplus, where the correlation between Current assets and Reserves and Surplus was 0.972 which was highly positively correlation and significant and Current assets and Share capital was highly correlated at 0.782.

- The correlation between Current assets and other Current liabilities. The correlation between Current assets and Sundry Creditors 0.474 was highly correlated and significant. The correlation between Current Assets and other Current liabilities was 0.713 highly correlated and significant.

- The correlations between Total Assets and Share holders’ funds of Ambuja cement company i.e. Reserves and Surplus, the correlation between Share capital and Reserves and Surplus was 0.798 which was positive correlated and significant, similarly with reserve and surplus was 0.997 which was highly correlated and is significant.
· The correlation between Total Assets and Shareholders fund. From this analysis it is inferred that total assets and Total assets are correlated with one another. Share capital has nearly perfect correlation with Total Assets (0.937). Reserves and surplus have higher degree of correlation (0.894) with Total Assets and has positive correlation with the share capital. Regarding secured loan, it has negative correlation with the Total Assets, Share capital and Reserves and Surplus. This is the same in the case of unsecured loan. As far as current liability is concerned, it has higher degree of correlation with the Reserves and Surplus and has positive correlation with Total Assets, Share capital and has negative correlation with the Secured loan.

· The correlation between Current Assets and share holders’ funds of Ultra tech Cement Company i.e. Share capital and Reserves and Surplus where the correlation between current assets and Share capital was 0.881 which was highly positive in correlation and significant and Current assets Reserves and Surplus was highly correlated significant with 0.913.

· The correlation between Current Assets and Other Current liabilities of Ultra Tech Cement Companies. The correlation between Current Assets and Sundry Creditors was 0.831highly correlated and significant. The correlation between Current Assets and Other Current liability was 0.930 which is highly correlated and significant.
· The correlations show the correlations between Total Assets and Share holder’s funds of Ultra Tech company’s (i.e.) Reserves and Surplus, correlation between Total Assets and share capital was 0.778, which was highly correlated and significant. Similarly Reserves and Surplus was 0.985 and significant.

· The correlation matrix between Total Assets and shareholders fund. From this analysis, it is inferred that Total Assets and are correlated with one another. Share capital has just higher degree of correlation (0.780) with the total assets. Reserves and surplus have nearly perfect correlation with the Total Assets and just higher degree of correlation with the share capital. Regarding Secured loan, it has negative correlation with the Total Assets, share capital and Reserves & Surplus. Unsecured loan has nearly perfect correlation with Total Assets and Reserves and Surplus and has lower degree of correlation with share capital.

· As far as Current liability is concerned, it has higher degree of correlation with the Total assets and Share capital and has nearly perfect and negative correlation with Reserves and Surplus and secured loan respectively while lower degree of correlation with unsecured loan.
The correlation between Current Assets and Share holders’ funds of Grasim Cement Company i.e. Share capital and Reserves and Surplus where the correlation between Current Assets and share capital was 0.727 which was highly positive correlation and significant and Current Assets Reserves and Surplus was highly correlated in 0.741 and significant.

The correlation and Current Assets and other Current liabilities of Grasim cement company. The correlation between Current Assets and Sundry creditors was Negative correlated and significant. The correlation between Current Assets and other Current liability was 0.671 with Sundry Creditors. It is highly correlated and significant.

The correlation show the correlation between Total Assets and Shareholders’ funds of Grasim company i.e. Reserves and Surplus, correlation between Total Assets and share capital was -0.006 which was Negative correlated and significant. Similarly with Reserves and Surplus was 0.955 and significant.

The correlation matrix between Total Assets and shareholders fund of Grasim Cement Company. From this analysis, it is inferred that the Total Assets and Total Assets are perfectly correlated with one another. Share capital with total assets has very lower correlation.
Reserves and Surplus has nearly perfect correlation with total assets and has positively lower correlation with share capital. Secured loan has positive correlation with total assets and with Reserve & Surplus while it has negative correlation with share capital. In case of unsecured loan, there is a positive correlation with Total Assets and Reserves and Surplus and Secured loan but it has negative correlation with share capital. As far as Current liability is concerned, it has nearly perfect correlation with Secured loan and has lower degree correlation with Total Assets, Reserves and Surplus and Unsecured loan while it has negative correlation with share capital.

- The correlation between Current Assets and Shareholders’ funds of India Cements Company i.e. Share capital and Reserves and Surplus where the correlation between Current Assets and Share capital was 0.0.759 which was highly positive in correlation and significant and Current Assets Reserves and Surplus was highly correlated and significant with 0.765.

- The correlation and Current Assets and Other Current liabilities of India cement company. The correlation between Current Assets and Sundry Creditors was (0.843) highly correlated and significant. The correlation between Current Assets and Other Current liability was (0.760). It is highly correlated and significant.
The correlation between Total Assets and Share holders’ funds of India Cement Company i.e. Reserves and Surplus, the correlation between Share capital and Reserves and Surplus was 0.964 which was positive correlation and significant. Similarly with reserve and surplus was 0.990 and highly correlated and significant.

The correlation matrix between Total Assets and Shareholders fund. From this analysis, it is inferred that total assets and Total Assets are nearly perfectly correlation. The Reserves & Surplus have nearly perfect correlation (0.978) with Total Assets and share capital (0.972). The Secured loan has very lower degree of correlation with all. The Unsecured loan has nearly perfect correlation with Total Assets, Share capital and with Reserves and Surplus while it has lower degree of correlation with Secured loan and higher degree of correlation with unsecured loan. As far as Current liability is concerned, it has nearly perfect correlation (0.944) with Total Assets, Share capital and Reserves & Surplus while higher degree of correlation with unsecured loan and lower degree of correlation with Secured loan.

The correlation between current assets and shareholders’ funds of J.K Cement Company i.e. share capital and reserves and surplus where the correlation between current assets and share capital was 0.830 which was highly positive correlation and significant and current assets reserves and surplus was highly correlated in 0.861 and significant.
- The correlation matrix between Current Assets and Current liabilities of JK cement company. From this analysis, it is inferred that the Current Assets has perfect correlation with same. The Sundry Creditors have higher degree of correlation with Current Assets (0.889). The Other Current liability has higher degree of correlation with Sundry Creditors (0.903) while it has nearly higher degree of correlation with Current Assets (0.866).

- The correlation matrix between total assets and shareholders’ funds of Ultra Tech Company i.e. Reserves and Surplus shows that the correlation between Total Assets and Share capital was 0.933 which was highly correlated and significant. Similarly with Reserves and Surplus was 0.959 and 0.902 with Share capital.

- The correlation matrix between Total Assets and Shareholders fund, show that the Total Assets have perfect correlation with it. The Share capital has nearly perfect correlation (0.912) with Total Assets. The Reserves and Surplus have nearly perfect correlation with total assets (0.991) and with Share capital (0.902). Secured loan has lower degree of correlation with one another like unsecured loan. As far as current liability is concerned, it has nearly perfect correlation (0.965) with Total Assets, (0.927) with Reserves and Surplus and with Share capital (0.980) while it has lower degree of correlation with another.
The correlation matrix between Current Assets and Shareholders fund of Madras Cement infers that the Current Assets has perfect correlation with it. Share assets have nearly higher degree of correlation (0.842) with Current Assets. The Reserves and Surplus have nearly perfect correlation with Current Assets (0.937) and with Share capital (0.916).

The correlation matrix between Current Assets and Current liabilities shows that the current assets have perfect correlation with it. The Sundry Creditors have nearly perfect correlation with Current Assets (0.987) while the other Current liability has normal degree of correlation with Current Asset (0.714) and with Sundry Creditors (0.798).

The correlation matrix between Total Assets and Shareholders fund. The Total Assets have perfect correlation with it. The Share capital has very lower degree of correlation with Total assets (0.514) while Reserves and Surplus have very lower degree of correlation with Total Assets (0.043) and Share capital (0.5789).

The correlation matrix between Total Assets and Shareholders fund. From this analysis, it is inferred that the Total Assets have perfect correlation with it. The share capital has higher degree of correlation with total assets (0.809). The Reserves and Surplus have nearly perfect
correlation with Share capital (0.916) and has higher degree of correlation with the Total Assets (0.896). The Secured loan has higher degree of correlation with Share capital (0.962) and with Reserves and Surplus (0.953). It has lower degree of correlation with Total Assets (0.794). The Unsecured loan has lower degree of correlation with another. As far as Current liability is concerned, it has nearly perfect correlation with Total Assets (0.989), Reserves and Surplus (0.903) and has higher degree of correlation with Share capital (0.814) and Unsecured loan (0.828).

6.2. SUGGESTIONS

The following are the suggestions given by the researcher towards better working capital management of selected cement companies.

There has been a high variation in the current ratio for Grasim Cement and India Cement Ltd. If it continues, it would affect the liquidity position of these companies. Therefore, these variations may be minimized in order to have better working capital management through proper maintenance of current assets and current liabilities. Ambuja Cement has high fluctuation in its working capital turnover ratio. Since working capital in relation to turnover is invested for maintaining adequate liquidity and continuous production, its fluctuation is to be curtailed and be ensured adequate working capital is arranged.
The creditor to cash ratio was found to be higher during the period of study for Madras Cement Company. ACC, Ultra tech, India Cements and J.K. Cements. It may lead to the problems of meeting creditors at right time. Therefore such situation should be avoided through reduction in this ratio.

Cash is one of the components of current assets which is vital for day-to-day expenses and to meet unexpected and emergency payment. The co-variation of cash in case of India Cement Company was found to be greater than the other companies. Therefore, the company should implement a plan of action for maintaining stability in cash position.

Profit is only the reward for managements for its efforts and it should be consistent over a period of time with a minimal variation. But J.K. Cement limited had high fluctuating gross profit ratio which is considered as a sign of fluctuation in the cost of goods sold. Therefore, the company should take care of the components required for its production. Great care is required in acquiring the raw-materials and its maintenance, payment of wages and other expenses and inventory management.

As a part of cost reduction plan, a research may be undertaken on non-lime stone and binders for raw-materials in lieu of lime stone. So that, dependence on lime stone may be avoided and there by reduction in cost and increase in profit.
The continuous, non-interruption supply of coal is to be ensured for production and thereby plants will be operated to its installed capacity ensuring regular flow of cement which is a must for the national development. As the science and technology improves day-by-day, innovations and technological up gradations are inevitable. They are to be implemented without second thought, so that there will be not only an improvement in all the sections of the organization but also continuous increase in demand for cement can also be met.

Though the supply of cement is ensured, its price is beyond the reach of the poor and middle income groups. Its price is sky rocketing, leaving the dream of constructing a house still as a dream. Therefore, there should be a bilateral meeting between the cement companies and the government to make the dream come true.

Working Capital turnover ratio of India Cement is not satisfactory. The management has to take measures to improve the Working Capital to the maximum extent possible.

Current assets consist of many items. Of them, the ready cash is very vital and it helps the company for direct purchases of commodities which they needed. From the analysis of select cement companies, the co-variation cash in current assets of India Cement Company was found to be greater when compared to other sample companies. It should be controlled by taking effective measures.
Long term solvency is very poor during the study period. The company can utilize the long term borrowings so that they get the benefit of Tax.

The amount of cash can be either greater or lesser in the total fund. It depends upon the nature of working capital of the cement companies. The cash to total fund ratio in the case of India Cements was calculated to be more when compared to other cement companies. But, this ratio has to be often verified.

The creditor to cash ratio was found to be higher during the period of study for Madras Cement Company. ACC, Ultra tech, India Cements and J.K. Cements. This leads to solvency problems of the companies. Therefore, these variations have to be controlled.

The in fracture of a company speaks a lot for the growth of the company therefore a proper infrastructural facilitating should be ensured. It should be modified and improved through introduction of new technological innovations for the overall development of its economic status.

As the price of the cement is skyrocketing, the public especially the middle income group is not able to afford it. The government should come forward to reduce the prices of Cement through reduction of tax tariff.
It is the primary function of cement companies to make the forwards available easily and regularly throughout India. To carry out this function effectively and efficiently, there should be a proper supply chain of marketing. It only ensures continuous availability of the cement for the public. But the cement produced by ACC Cement, Ambuja Cement and J.K. Cement are not available continuously in the southern Regions of Tamilnadu.

The level of inventory should be increased so that the company can maintain optimum stock level.

The Debt equity ratio is considered one of the yardsticks to balance between debt and equity. This ratio is higher in case of Ambuja Cement, India Cement and JK Cement companies. The otherwise effect of this ratio is to be eliminated by maintaining debt and equity properly.

Management of Working Capital is a part of the total Management which ensures the efficient Working Capital employment, therefore the Management should draw proper plan and execute for its efficiency. Maintenance of fewer raw materials is efficient, but at the same time very less raw material is dangerous as it may stop the production due to non availability of raw materials. Therefore the company has to maintain optimum level of raw materials.
Finished goods of Grasim Cement are very less. The company has to improve finished goods position so that the company meets the demand of time.

Debtors turnover ratio of ACC Cement, Ambuja Cement and Madras Cement Companies is very high during the study period. The Management has to take effective measures to collect the debt in time. The Capital structure of a company determines the efficiency of the Capital employed. The balance between different components of Capital structure ensures not only the higher profit, but also ensures proper reward for its contributors, therefore it should be reviewed periodically and modified accordingly.

Since Cement Industry is one of the basic infrastural Industry, and its importance in the National development cannot be neglected. Therefore the demand is very heavy. The Cement prices are also very high and hence not beneficial to common man. Therefore the supply has to be increased by increasing the production capacity to a higher level (or) through establishment of new units.

6.3. CONCLUSION

The cement companies are considered as life blood of the infrastructural development such as road, dam, bridges and the like. The present study has analysed the working capital management of the select
cement companies with suitable statistical models. There are various indicators (ratios) on the basis of which the working capital management performance has been analysed. Among the select cement companies, each company differs from the another in terms of working capital performance.

Working capital management is important for a firm in financial management decision. The present study points out that the overall position of the Working Capital of select Cement Companies is satisfactory, but there is a need for improvement in certain factors. The companies should also try to maintain adequate quantum of liquidity all the time by keeping considerable proportion of various components of the Working Capital in relation to the overall current assets.

**SCOPE FOR FURTHER STUDY**

The researcher has suggested the following phases for further study in the Cement Companies.

- Determining the profitability in Indian Cement Industry - An analysis.
• A study on the impact of Working Capital Management practices in Indian Cement Companies.

• The impact of Liberalization, privatization and Globalization in the Working Capital Management of Indian Cement Industry - A Study.