INDEX

6.1 INTRODUCTION.
6.2 SUMMARY.
6.3 FINDINGS.
6.4 SUGGESTIONS.
6.5 LIMITATION OF THE STUDY
6.6 SCOPE FOR FUTURE RESEARCH.
6.1 INTRODUCTION:
Like a traveler, who after completing his long journey, reaches to destination and looks back at the area covered by him for identifying the important landmarks he came across. Review of the important aspect of the study and summing up of the key observations are presented in this chapter. Profitability and liquidity is regarded as the life-line of every concern. Without adequate working capital no progress is possible. Inadequate working capital means shortage of raw materials and other inputs, resulting in under utilization of fixed assets and ultimately leading to failure of the business. On the other hands excess working capital might mean less control over worker’s performance, dumped stocks, inefficient store keeping, excessive debtor’s, surplus cash and lack of coordination. So, the amount of working capital in a business should be neither more nor less than what is required. Further, the profitability and liquidity of the industries are directly linked to the efficient management of working capital. The main objective of the working capital management is to arrange sufficient funds needed for it from the best available cost effective source, so that the proper tradeoff between liquidity and profitability is achieved.

The foregoing study in the preceding six chapters leads to many conclusions about the cement industry working capital management but with one caution. As already pointed out in earlier the biggest limitation of the study had been that a large number of industries had to be left out because cement is not their main business through they are big producers of cement. Further, beyond data published in annual accounts no further data were made available by any company. Therefore, detailed probe could not be made on many aspects which have been pointed out at relevant places.

6.2 SUMMARY:

CHAPTER-1
PROFILE OF THE CEMENT INDUSTRY IN INDIA:
This chapter deals with the history and development of cement industry of India – Definition of cement - Cement process - Types of cement - Grad of cement – Profile of the cement industry in world – Profile of the cement industry in India – Cement production in India – Government policy – Total factor productivity – Total
productivity – Future development of the cement sector – On going changes in cement industry – Features of the schemes.

CHAPTER – 2:
RESEARCH METHODOLOGY:

CHAPTER – 3
ANALYSIS OF PROFITABILITY:
This chapter deals with analysis of profitability of selected cement industries. It has done with the help of different analytical tools such as ratio analysis – Gross profit ratio - Net profit ratio – Operating Ratio – Expenses Ratio – Return on Shareholders’ funds – Rate of Dividend (or return) on Equity Share Capital – Rate of Return on Total Assets – Earning per Share (E P S) – Return on Equity Shareholders funds and Return on Capital employed - summary.

CHAPTER – 4
ANALYSIS OF LIQUIDITY:
This chapter deals with analysis of liquidity of selected cement companies. It deals with the concept of liquidity and liquidity ratio of cement industry of India. It has done with the help of different analytical tools such as ratio analysis – Current liquidity ratio – Quick liquidity ratio – Actual liquidity ratio and solvency ratio and average collection period.

CHAPTER – 5
PROFITABILITY VIS-À-VIS LIQUIDITY:
This chapter deals with analysis of profitability vis-à-vis liquidity of selected cement companies. It has done with the help of different tools such as ratio analysis.
CHAPTER – 6

SUMMARY, FINDINGS AND SUGGESTIONS:

This chapter gives its emerging conclusion based on the analysis carried out the variation if any from the literature. It also gives concrete suggestions for enhancing profitability and liquidity for financial soundness, for cost control and liquidity position.

6.3 FINDINGS:

❖ GROSS PROFIT RATIO:

The gross profit ratio of selected cement industries during the study period shows an average 47.17 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 53.58, Sanghi Cement Pvt. Ltd. 48.22, Digvijay Cement Pvt. Ltd. 28.45, Ultratech Cement Pvt. Ltd. 51.73, and Binani Cement Pvt. Ltd. 53.91 times.

F- Test indicates that there was significance difference in the gross profit ratio in selected cement industries. Because the calculated F value is 6.27 and 5% F tabulate value is 2.87 so, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

❖ NET PROFIT RATIO:

The net profit ratio of selected cement industries during the study period shows an average 10.91 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 16.95, Sanghi Cement Pvt. Ltd. 7.49, Digvijay Cement Pvt. Ltd. 3.49, Ultratech Cement Pvt. Ltd. 14.60, and Binani Cement Pvt. Ltd. 12.00 times.

F- Test indicates that there was significance difference in the net profit ratio in selected cement industries. Because the calculated F value is 5.28 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

❖ OPERATING PROFIT RATIO:

The operating profit ratio of selected cement industries during the study period shows an average 71.90 times. During the study period the Ambuja Cement Pvt. Ltd. shows
an average of 59.58, Sanghi Cement Pvt. Ltd. 74.97, Digvijay Cement Pvt. Ltd. 85.85, Ultratech Cement Pvt. Ltd. 63.40, and Binani Cement Pvt. Ltd. 75.72 times.

F- Test indicates that there was significance difference in the operating profit ratio in selected cement industries. Because the calculated F value is 4.09 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**EXPENSES RATIO:**

The expenses profit ratio of selected cement industries during the study period shows an average 77.92 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 74.68, Sanghi Cement Pvt. Ltd. 76.81, Digvijay Cement Pvt. Ltd. 90.53, Ultratech Cement Pvt. Ltd. 74.56, and Binani Cement Pvt. Ltd. 73.00 times.

F- Test indicates that there was significance difference in the expenses profit ratio in selected cement industries. Because the calculated F value is 8.43 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**RETURN ON SHARE HOLDER’S FUND RATIO:**

The return on share holder’s fund ratio of selected cement industries during the study period shows an average 15.80 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 18.03, Sanghi Cement Pvt. Ltd. 7.82, Digvijay Cement Pvt. Ltd. -1.74, Ultratech Cement Pvt. Ltd. 24.08, and Binani Cement Pvt. Ltd. 30.81 times.

F- Test indicates that there was significance difference in the return on share holder’s fund ratio in selected cement industries. Because the calculated F value is 4.03 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**RATE OF DIVIDEND (or return) ON EQUITY SHARE CAPITAL RATIO:**

The rate of dividend (or return) on equity share capital ratio of selected cement industries during the study period shows an average 35.24 times. During the study
period the Ambuja Cement Pvt. Ltd. shows an average of 14, Sanghi Cement Pvt. Ltd. 35, Digvijay Cement Pvt. Ltd. 40, Ultratech Cement Pvt. Ltd. 60, and Binani Cement Pvt. Ltd. 27.2 times.

F- Test indicates that there was significance difference in the Rate of dividend (or return) on equity share capital ratio in selected cement industries. Because the calculated F value is 15.55 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**RATE OF RETURN ON TOTAL ASSETS RATIO:**
The rate of return on total assets ratio of selected cement industries during the study period shows an average 13.42 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 18.37, Sanghi Cement Pvt. Ltd. 7.80, Digvijay Cement Pvt. Ltd. 6.81, Ultratech Cement Pvt. Ltd. 18.42, and Binani Cement Pvt. Ltd. 15.88 times.

F- Test indicates that there was significance difference in the rate of return on total assets ratio in selected cement industries. Because the calculated F value is 6.41 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**RATE OF RETURN ON CAPITAL EMPLOYED (ROCE) RATIO:**
The rate of return on capital employed ratio of selected cement industries during the study period shows an average 21.79 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 30.69, Sanghi Cement Pvt. Ltd. 12.03, Digvijay Cement Pvt. Ltd. 10.14, Ultratech Cement Pvt. Ltd. 30.99, and Binani Cement Pvt. Ltd. 25.10 times.

F- Test indicates that there was significance difference in the rate of return on capital employed ratio in selected cement industries. Because the calculated F value is 9.42 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.
**Earnings Per Share (E.P.S) Ratio:**

The earnings per share (E.P.S) ratio of selected cement industries during the study period show an average 19.08 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 7.18, Sanghi Cement Pvt. Ltd. 2.73, Digvijay Cement Pvt. Ltd. 0.84, Ultratech Cement Pvt. Ltd. 77.55, and Binani Cement Pvt. Ltd. 7.08 times.

F-Test indicates that there was significance difference in the earnings per share (E.P.S) ratio in selected cement industries. Because the calculated F value is 56.22 and 5% F-limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**Interest Coverage Ratio:**

The interest coverage ratio of selected cement industries during the study period shows an average 21.60 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 45.86, Sanghi Cement Pvt. Ltd. 1.98, Digvijay Cement Pvt. Ltd. 39.79, Ultratech Cement Pvt. Ltd. 14.45, and Binani Cement Pvt. Ltd. 5.90 times.

F-Test indicates that there was significance difference in the interest coverage ratio in selected cement industries. Because the calculated F value is 16.99 and 5% F-limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**Current Ratio:**

The current ratio of selected cement industries during the study period shows an average 1.15 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 1.122, Sanghi Cement Pvt. Ltd. 1.710, Digvijay Cement Pvt. Ltd. 1.474, Ultratech Cement Pvt. Ltd. 0.656, and Binani Cement Pvt. Ltd. 0.806 times.

F-Test indicates that there was significance difference in the current ratio in selected cement industries. Because the calculated F value is 3.21 and 5% F-limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.
**QUICK RATIO:**
The quick ratio of selected cement industries during the study period shows an average 0.795 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 0.782, Sanghi Cement Pvt. Ltd. 1.388, Digvijay Cement Pvt. Ltd. 0.866, Ultratech Cement Pvt. Ltd. 0.384, and Binani Cement Pvt. Ltd. 0.556 times.

F-Test indicates that there was significance difference in the quick ratio in selected cement industries. Because the calculated F value is 3.04 and 5% F-limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**LIQUID RATIO:**
The liquid ratio of selected cement industries during the study period shows an average 0.732 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 1.022, Sanghi Cement Pvt. Ltd. 0.554, Digvijay Cement Pvt. Ltd. 1.15, Ultratech Cement Pvt. Ltd. 0.510, and Binani Cement Pvt. Ltd. 0.422 times.

F-Test indicates that there was significance difference in the liquid ratio in selected cement industries. Because the calculated F value is 6.88 and 5% F-limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**DEBTOR’S TURNOVER RATIO:**
The debtor’s turnover ratio of selected cement industries during the study period shows an average 8.60 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 9.2, Sanghi Cement Pvt. Ltd. 2.6, Digvijay Cement Pvt. Ltd. 12, Ultratech Cement Pvt. Ltd. 0.13.6, and Binani Cement Pvt. Ltd. 5.6 times.

F-Test indicates that there was significance difference in the debtor’s turnover ratio in selected cement industries. Because the calculated F value is 5.44 and 5% F-limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

**INVENTORY AND STOCK TURNOVER RATIO:**
The inventory and stock turnover ratio of selected cement industries during the study period shows an average 16.366 times. During the study period the Ambuja Cement
Pvt. Ltd. shows an average of 9.440, Sanghi Cement Pvt. Ltd. 17.662, Digvijay Cement Pvt. Ltd. 11.010, UltraTech Cement Pvt. Ltd. 18.498, and Binani Cement Pvt. Ltd. 25.22 times.

F- Test indicates that there was significance difference in the inventory and stock turnover ratio in selected cement industries. Because the calculated F value is 2.21 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is less than tabulate value. So, alternative hypothesis has been rejected and null hypothesis has been accepted.

♦ FIXED ASSETS TURNOVER OR VELOCITY:

The fixed assets turnover or velocity of selected cement industries during the study period shows an average 0.95 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 0.99, Sanghi Cement Pvt. Ltd. 0.52, Digvijay Cement Pvt. Ltd. 1.43, UltraTech Cement Pvt. Ltd. 0.91, and Binani Cement Pvt. Ltd. 0.88 times.

F- Test indicates that there was significance difference in the fixed assets turnover or velocity in selected cement industries. Because the calculated F value is 28.89 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.

♦ TOTAL ASSETS TURNOVER OR VELOCITY:

The total assets turnover or velocity of selected cement industries during the study period shows an average 1.053 times. During the study period the Ambuja Cement Pvt. Ltd. shows an average of 1.058, Sanghi Cement Pvt. Ltd. 0.494, Digvijay Cement Pvt. Ltd. 1.644, UltraTech Cement Pvt. Ltd. 1.118, and Binani Cement Pvt. Ltd. 0.952 times.

F- Test indicates that there was significance difference in the total assets turnover or velocity in selected cement industries. Because the calculated F value is 34.00 and 5% F- limit (from the F-table) tabulate value is 2.87. So, the calculated value is more than tabulate value. So, alternative hypothesis has been accepted and null hypothesis has been rejected.
6.4 SUGGESTIONS:

❖ The gross Profit ratio of selected cement industries shows an average 47.17% times. It means sales revenue are more than cost of goods sold. It also means that the industries are in position to reflect its cost of goods sold properly, so it is suggested that Digvijay Cement Pvt. Ltd. Should decrease the cost of goods sold as early as possible, and try to increase the sales revenue.

❖ The net profit ratio of selected cement industries shows an average 10.91% times. It means advantageous position to survive in the face of failing sales prices, rising costs of production or declining demand for the product. It also means that a firm with high net profit margin can make better use of favorable conditions, such as rising sales prices, failing costs of production or increasing demand for the product so it is suggested that Sanghi Cement Pvt.Ltd., and Digvijay Cement Pvt. Ltd. Cement industries should increasing the net profit as early as possible.

❖ The operating profit ratio of selected industries shows an average 71.90% times. It means net sales are less than operating profit. It also shows that operating profit ratio is comparative good. So all cement industries under study are operating profit ratio is very well.

❖ The expenses ratio of selected cement industries shows an average 77.92% times. It means that the help of these ratios the unit decides the measures to control the expenses for aiming at minimizations of costs and maximizations of profit. So, every cement industries are under study in reduced the expenses and as early as possible increase net profit.

❖ The return on share holder’s funds ratio of selected cement industries shows an average 15.80% times. It means this ratio shows whether or not sufficient returns are available to owners of industries who invest their money and take risk. So suggested that Sanghi Cement Pvt. Ltd., Ambuja Cement Pvt. Ltd. And Digvijay Cement Pvt. Ltd. Cement industries should increase investment or take risk as early as possible.

❖ The rate of dividend (or return) on equity share capital ratio of selected cement industries shows an average 35.24% times. It means this ratio shows the relation between net profit and equity share capital. This ratio is also indicating that hoe many
percentages of dividends can be distributed to their share holders. So rate of dividend (or return) on equity share holder’s capital suggested Ambuja Cement Pvt. Ltd and Binani Cement Pvt. Ltd can be payee compared other cement industries as early as possible.

❖ The rate of return on total assets ratio of selected cement industries shows an average 13.42% times. It means total assets of business include owners and other external creditor’s/investors capital applied in assets. So suggested the cement industries under study in Sanghi Cement Pvt. Ltd and Digvijay Cement Pvt. Ltd should be pay more than other industries as early as possible.

❖ The rate of return on capital employed (ROCE) ratio of selected cement industries shows an average 21.79% times. It means that the ratio is useful and important for money- lenders, shroffs, owners and investors. However, satisfactory the gross profit, net profit, and operating profit ratios are, one cannot invest, but for the knowledge of rate of return on investment and the comparison of this ratio with the prevailing rate in the market. So suggested should Sanghi Cement Pvt. Ltd, and Digvijay Cement Pvt. Ltd as early as possible.

❖ The earnings per share (E.P.S) ratios of selected cement industries show an average 19.08% times. It means that different interested parties have already been discussed somewhere herein before, repetitions are avoided. So suggested should be cement industries in Ambuja Cement Pvt. Ltd, Sanghi Cement Pvt. Ltd, Digvijay Cement Pvt. Ltd and Binani Cement Pvt. Ltd are increased Earnings per share as early as possible.

❖ The interest coverage ratio of selected cement industries shows an average 21.60%. It means indicate this ratio is earning capacity and management efficiency of industries. A higher ratio assures the money-lenders and debentures have a safety of their finance. So suggested Sanghi Cement Pvt. Ltd, Ultratech Cement Pvt. Ltd and Binani Cement Pvt. Ltd increase this ratio as early as possible.

❖ The current ratio of selected cement industries shows an average 1.15:1 times. It means current assets are more than current liabilities. It also means that the industries are in position to fulfill its current obligation properly. But it is suggested that
Ultratech Cement Pvt. Ltd, and Binani Cement Pvt. Ltd, cement industries should decries the liabilities as early as possible, and try to increase the current assets.

- The quick ratio of selected cement industries shows an average 0.795 times. It means quick assets are less than current liabilities. It also means that the industries are in position to fulfill its current liabilities. But it is suggested that Ambuja Cement Pvt. Ltd, Dvigvijay Cement Pvt. Ltd, Ultratech Cement Pvt. Ltd, and Binani Cement Pvt. Ltd, cement industries should decries the liabilities as early as possible, and try to increase the quick assets.

- The liquid ratio of selected cement industries shows an average 0.732:1 times. It means liquid assets are less than more than liquid liabilities. It also means that the industries are in position to fulfill its short term debt obligations. But it is suggested that Sanghi Cement Pvt. Ltd, Ultratech Cement Pvt. Ltd, and Binani Cement Pvt. Ltd cement industries should decries the liquid liabilities as early as possible, and try to increase the liquid assets.

- The debtor’s turnover ratio of selected cement industries shows the firm efficiency in realizing the debtor’s an average 8.60 times. The debtor’s turnover ratio in selected cement industries taken as a whole revealed a fluctuating trend. It varied from 1 day to 85 days. Generally, this ratio was highest in Dvigvijay Cement Pvt. Ltd, and Ultratech Cement Pvt. Ltd, it indicate efficient management of assets.

- The inventory and stock turnover ratio of selected cement industries shows an average 16.366 times. It means sales are more than average industries. It also means that the industries are in a position to used/sold bulk quantity. But it is suggested that the Ambuja Cement Pvt. Ltd, and Dvigvijay Cement Pvt. Ltd, cement industries should decries the average inventory as early as possible, and try to increase the sales.

- The fixed assets turnover or velocity of selected cement industries shows an average 0.95 times. It means fixed assets are less than sales or cost of sales. It also means that the industries are in position. So, suggested that the Ambuja Cement Pvt. Ltd, Sanghi Cement Pvt. Ltd, Ultratech Cement Pvt. Ltd, and Binani Cement Pvt. Ltd, cement industries should decries the average fixed assets as early as possible. And try to increase fixed assets.
The total assets turnover or velocity of selected cement industries shows an average 1.053 times. It means total assets more than sales or cost of sales. It also means that the industries are in position. So, suggested that the Sanghi Cement Pvt. Ltd, and Binani Cement Pvt. Ltd, cement industries should decries the average total assets as early as possible. And try increase total assets.

6.5 LIMITATIONS OF STUDY:

The limitation of study is as under;

- Study is undertaken by individual researcher therefore all the limitation of the individual researcher exists here also.

- It is secondary data based study, so the limitations of the secondary data reveals with this study.

6.6 SCOPE FOR FUTURE RESEARCH:

Keeping in view the limitations of the study and the experience gain by the researcher during the course of his research work, the researcher perceives that a full- fledge conclusive research work at macro level may be undertaken. For this type of macro level study, it may be helpful in identifying distinctive conclusions separately.

Similarly, the study can be made for different sub groups of the units in terms of bank, chemical, software, engineering, cement, communications etc.