A Comparative Study on Financial Variables of Selected Cement Companies of India

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ABSTRACT *In the present era financial aspect of a business concern plays a pivotal role for businessman ,investors, and stakeholders worldwide. Financial management is imperative in this globalized integrated market. The whole world seems to be in a state of disarray owing to financial and global turmoil. Liquidity crunch is the prime reason behind these financial disruptions both at domestic and international level. Financial variables like current ratio, quick ratio , inventory turnover ratio and dividend payout ratio have been taken to examine the comparative study of cement companies. Statistical tools like one way Anova have been used to draw the inferences from the aforesaid study. From the above study it is concluded that current ratio, quick ratio & inventory turnover ratio have a significant difference between the companies. Dividend payout ratio does not have a significant difference across the companies.*

Keywords: *Financial , Liquidity ,Anova*

INTRODUCTION

The Cement industry is one of the world's most advanced industries. It contributes to the development of space industries, building industry, and even agricultural development. From the earliest beginning in 1914 when the first chemical plant was exported by the production of lower tonnes a year, India's stock market has been a long time in technology, quality improvement, and energy production. Today India is the second largest cement producer after china on the altar 131 The largest plants in the 526 million power enterprises installed around 166 billion are planning to create more than billions of tonnes of energy over 3-5 years in line with the volume made last year of 20. Nevertheless, electron firms are combined in a few places depending on the availability of coal, coal and limestone, as both of them have powerful forces that make travelling difficult and invisible.

REVIEW OF LITERATURE:

Singh and Pandey (2008**)** suggest that, for the effectiveness of any business organization, the planned and current assets play an important role, and that financial management is important as it has a direct effect on profit and acquisition. They are studying financial components at work and have a significant impact on managing financial performance by benefiting Hindalco Industries Limited.

Chakraborty (2008), in the study of "Capital and Profitability: Analysis of Their Relationship With Indicators of Selected Companies at India's Medical Center" examined the relationship between the operating and benefits of Indian companies. He indicated that there were two separate schools of thought on this subject: according to one thought school, the operating capital is not a factor in promoting profits and may have a bad relationship between them, while investing in another thought school, investment investments plays an important role in improving corporate profit, unless it is low investment, operating and marketing cannot be maintained - in fact, the unemployment rate may result in unemployment.

Kevin and Young (2009) in their article, "Need Cash? Look inside your Company" has been looking at how the company manages its operating system. You have noted that most of the debt consolidated and financial investments can be monetized by challenging corporate practices and corporate policies. You have reviewed the six common mistakes made by companies in managing operating funds. He says the simple act of self-correction may be sufficient to make the difference between failure and survival of current trends.

Nandi Chandra Kartik (2012) on her paper "Conduct Management and Impact Trends on Profitability Trends: Case Study" attempts to assess the tendency of property management and their impact on gaining profit. Efforts have been made to build a relationship between the purchases and to benefit from the help of a large reduction fund. Based on all analysis, it is important to ensure that the selected company is constantly trying to maintain a valid operating income value for current debt in order to maintain a good amount of investment during the research period.

Profile of Industry Cement Industry Cement is an important factor in infrastructure development and the most important importance of the construction industry, especially in the areas of public infrastructure and housing programs, which are needed in the development and development of the country's economy. The second is the second most widely used world in the world (WBCSD 2002). India's largest cement industry is the world's second largest producer in China, but before the United States and Japan. It is permitted to be a core core sector of about 1.3% of the GDP and is using more than 0.14 million people. And the industry has played a key role in gaining revenue collected by central and governmental governments through sales tax and sales tax.

OBJECTIVE OF THE STUDY

To find out the mean difference of selected variables under study.

PERIOD OF STUDY

The study is being conducted for a period of 10 years from 2008-2017.

NO. OF SAMPLE

Sample size for the above study is taken to be 4 leading cement companies of india.

TOOLS & TECHNIQUES

For the present study F-Test - ONE WAY ANOVA is used as tools of Statistics

TABLE-1

CURRENT RATIO OF SELECTED CEMENTS COMPANIES-(In Crore)

YEAR	JK CEMENTS	BIRLA CEMENTS	INDIA CEMENTS	ULTRATECH CEMENTS
2017	1.19	2.03	0.73	1.55
2016	1.29	2.61	0.68	0.82
2015	1.22	3.65	0.72	0.9
2014	1.32	2.58	0.62	1.57
2013	1.15	2.21	0.65	1.25
2012	1.47	2.51	0.56	1.49
2011	1.41	2.64	0.53	1.37
2010	1.46	1.16	1.75	1.09
2009	2.33	1.27	1.53	0.88
2008	1.69	0.87	1.9	0.82

SOURCE: MONEYCONTROL.COM

TABLE-2

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	8.029808	3	2.676603	8.797323	0.000165	2.866266
Within Groups	10.95307	36	0.304252			
Total	18.98288	39				

SOURCE: EXCEL

The one way ANOVA result for the current ratios shows that F calculated is greater than that of critical value which suggest the current ratio has a significant difference. Thus, it rejects the null hypothesis.

Further it was found that the calculated value of F for between the groups (8.797323) is greater than that of critical value (2.866266), that leads to the conclusion that the current ratio has a significant difference across the companie.

TABLE-3

QUICK RATIO OF SELECTED CEMENT COMPANIES-(In Crore)

YEAR	JK CEMENTS	BIRLA CEMENTS	INDIA CEMENTS	ULTRATECH CEMENTS
2017	0.75	1.41	0.41	1.27
2016	0.89	2.03	0.41	0.6
2015	0.77	2.79	0.43	0.59
2014	0.77	2	0.38	1.16
2013	0.63	1.37	0.43	0.88
2012	0.98	1.88	0.31	1.04
2011	0.92	2.07	0.29	0.99
2010	0.95	0.77	1.47	0.48
2009	1.97	0.91	1.25	0.43
2008	1.4	0.62	1.59	0.44

SOURCE: MONEYCONTROL.COM

TABLE- 4

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	4.7765475	3	1.592183	6.350363	0.00144	2.8662656
Within Groups	9.02603	36	0.250723			
Total	13.8025775	39				

SOURCE: EXCEL

The one way ANOVA result for the Quick ratios shows that F calculated is greater than that of critical value which suggest the quick ratio has a significant difference. Further it was found that the calculated value of F for between the groups (6.350363) is greater than that of critical value (2.8662656), that leads to the conclusion that the quick ratio has a significant difference across the companies. Thus, it rejects the null hypothesis.

TABLE - 5

INVENTORY TURNOVER RATIO 0F SELECTED CEMENT COMPANIES (In Crore)

YEAR	JK CEMENTS	BIRLA CEMENTS	INDIA CEMENTS	ULTRATECH CEMENTS
2017	8.88	6.81	7.76	10.74
2016	7.51	5.77	7.1	9.94
2015	6.57	5.81	7.29	8.34
2014	5.16	5.86	8.06	8.56
2013	6.31	4.57	9.27	8.59
2012	7.02	5.48	7.99	8.99
2011	6.52	5.99	7.04	6.8
2010	8.64	7.63	7.88	8.57
2009	12.23	9.35	8.59	9.23
2008	13.93	8.61	8.68	9.04

SOURCE: MONEYCONTROL.COM

TABLE- 6

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	28.2514875	3	9.417163	3.243774	0.033114	2.866266
Within Groups	104.51341	36	2.90315			
Total	132.7648975	39				

SOURCE: EXCEL

The one way ANOVA result for the inventory turnover ratios shows that F calculated is greater than that of critical value which suggest that inventory turnover ratio has significant difference. Further it was found that the calculated value of F for between the groups (3.243774) is greater than that of critical value (2.866266), that leads to the conclusion that the inventory turnover ratio has a significant difference across the companies.

TABLE-7

DIVIDEND PAYOUT (NP) % OF SELECTED CEMENT COMPANIES-

YEAR	JK CEMENTS	BIRLA CEMENTS	INDIA CEMENTS	ULTRATECH CEMENTS
2017	10.77	21.59	17.72	9.92
2016	27.54	29.36	22.28	11.98
2015	17.82	26.33	0	12.26
2014	21.62	35.6	0	11.5
2013	19.46	19.97	37.56	9.29
2012	19.71	19.31	20.97	8.96
2011	21.83	14.44	67.65	11.7
2010	18.56	8.29	17.33	6.83
2009	17.19	10.71	12.69	6.37
2008	13.18	7.82	10.33	6.17

SOURCE: MONEYCONTROL.COM

TABLE-8

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	782.181708	3	260.7272358	2.059269	0.122885	2.866266
Within Groups	4558.01629	36	126.6115636			
Total	5340.198	39				

SOURCE: EXCEL

The one way ANOVA result for the current ratios shows that F calculated is less than that of critical value which suggest the dividend payout ratio has no significant difference. Further it was found that the calculated value of F for between the groups (2.059269) is less than that of critical value (2.866266), that leads to the conclusion that the dividend payout ratio has no significant difference across the companies. Thus, it accepts the null hypothesis.

CONCLUSION:

From the above study it is concluded that current ratio , quick ratio , inventory turnover ratio have a significant difference across the companies, which suggest that there is significant mean difference of these financial variables among four companies under study. Dividend Payout Ratio has no significant difference in this particular study.

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